Infinities Technology International (Cayman) Holding Limited
多牛科技國際(開曼)集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1961

ANNUAL REPORT 2024

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. LI Qiang *(Chairman) (appointed on 24 April 2024)*
Mr. WANG Le
Mr. CHEN Ying *(resigned on 24 April 2024)*

Non-executive Directors

Mr. WANG Ning
Mr. LIANG Junhua
Ms. WANG Yan *(appointed on 28 March 2025)*

Independent non-executive Directors

Mr. LEUNG Ming Shu
Mr. TANG Shun Lam
Mr. YAN Chi Kwan *(appointed on 19 February 2024 and resigned on 28 March 2025)*

AUDIT COMMITTEE

Mr. LEUNG Ming Shu *(Chairman)*
Mr. LIANG Junhua
Mr. YAN Chi Kwan *(appointed on 19 February 2024 and resigned on 28 March 2025)*
Mr. TANG Shun Lam *(appointed on 28 March 2025)*

REMUNERATION COMMITTEE

Mr. TANG Shun Lam *(Chairman)*
Mr. WANG Ning
Mr. YAN Chi Kwan *(appointed on 19 February 2024 and resigned on 28 March 2025)*
Mr. LEUNG Ming Shu *(appointed on 28 March 2025)*

NOMINATION COMMITTEE

Mr. WANG Le *(Chairman) (resigned on 24 April 2024)*
Mr. LI Qiang *(Chairman) (appointed on 24 April 2024)*
Mr. LEUNG Ming Shu
Mr. TANG Shun Lam

AUTHORISED REPRESENTATIVES

Ms. WONG Wai Yee Ella
Mr. WANG Ning

COMPANY SECRETARY

Ms. WONG Wai Yee Ella (FCG, HKFCG)

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISER

As to Hong Kong law
Eric Chow & Co. in Association with
Commerce & Finance Law Offices
3401, Alexandra House
18 Chater Road
Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 606, West Building
Fangyuan E Time
12-1 Keyun Road
Tianhe District
Guangzhou
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1915, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

China Merchants Bank
(Guangzhou Huangpu Avenue Branch)
5/F, Unicom New Space Time Plaza
No. 666 West Huangpu Road
Guangzhou
PRC

COMPANY'S WEBSITE

https://www.infinities.com.hk

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE

1961

Financial Highlights

RESULTS

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**258,478**	263,880	103,910	114,914	170,179
Gross profit	**32,679**	38,197	16,045	14,391	55,638
Income tax credit/(expense)	**1,276**	(701)	(321)	(39)	(4,398)
Profit/(loss) for the year	**(50,886)**	(53,780)	(86,000)	(86,822)	1,023
Add:					
Listing expenses	**–**	–	–	–	13,021
Less:					
Reversal of impairment/(impairment) of trade receivables	**(12,432)**	(6,342)	(20,388)	(14,948)	(1,045)
Adjusted profit/(loss) for the year[1]	**(38,454)**	(47,438)	(65,612)	(71,874)	15,089

Note:

(1) "Adjusted profit" is not defined under the Hong Kong Financial Reporting Standards ("**HKFRS**"). It is defined by the Group as net profit excluding the listing expenses and reversal of impairment/(impairment) of trade receivables. The Directors believe that they are useful supplements to the consolidated statement of profit or loss. The adjusted profit reflects another perspective to the profitability of the Group's operations after excluding the listing expenses and reversal of impairment/(impairment) of trade receivables.

ASSETS AND LIABILITIES

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets	**134,417**	38,877	28,808	57,113	74,162
Current assets	**416,206**	189,279	86,871	116,809	181,007
Total assets	**550,623**	228,156	115,679	173,922	255,169
Equity and liabilities					
Total equity	**179,254**	116,462	54,347	138,513	226,262
Non-current liabilities	**17,397**	7,178	18,823	2,841	2,164
Current liabilities	**353,972**	104,516	42,509	32,568	26,743
Total liabilities	**371,369**	111,694	61,332	35,409	28,907
Total equity and liabilities	**550,623**	228,156	115,679	173,922	255,169

Chairman's Statement

Dear Shareholders,

On behalf of the Board of the Company, I am pleased to present the annual report of the Group for the year ended 31 December 2024.

BUSINESS REVIEW

With breakthroughs in artificial intelligence (AI) technology, the application of AI technology in various industries has begun to flourish. At the beginning of 2024, China once again proposed to accelerate the development of new quality productive forces and steadily promote high-quality development. Predictably, the digital entertainment service industry will also further develop towards informatization, digitization, and intelligence in the future. The Company keeps up with the times, further solidifying its strategic goal of using AI technology as the core to create a diversified digital entertainment service platform for global users. The Company has accumulated substantial resources and technical advantages in mobile games, digital media, gaming products supply and other businesses. In the future, we will gradually integrate various businesses with AI technology, make product iteration and upgrades, further enhance user viscosity of products, and achieve the goal of reducing costs and increasing efficiency. Through continuous optimization of the existing business structure, the Company is able to forge ahead steadily. Meanwhile, in 2024, the Company newly expanded into AI application development and related services, providing partners with more excellent AI products and services, while accumulating more AI technology advantages for the Company.

In addition, the Company continued to follow the changing trend of the domestic internet market, seize new opportunities in the industry development, and explore more business models.

RESULTS

During the reporting period, the Company's revenue decreased by RMB5.4 million, or 2.0%, from approximately RMB263.9 million for the year ended 31 December 2023 ("**FY2023**") to approximately RMB258.5 million for the year ended 31 December 2024 ("**FY2024**"). The decrease was mainly due to the decrease in revenue from the mobile game business of approximately RMB70.5 million, the increase in revenue from the digital media business by approximately RMB88.8 million, and the decrease in revenue from the game products supply business by approximately RMB23.7 million. Gross profit decreased by approximately RMB5.5 million, or 14.4%, from approximately RMB38.2 million in 2023 to approximately RMB32.7 million in 2024. The decrease was mainly due to the decrease in gross profit contribution from the mobile game business during the current period.

The loss for the year in FY2024 was approximately RMB50.9 million, while the loss for the year in FY2023 was approximately RMB53.8 million. The narrowing of losses was mainly due to (i) an increase in other income and gains, net, of approximately RMB10.9 million; (ii) a decrease in research and development expenses of approximately RMB7.9 million; (iii) a decrease in other expenses of approximately RMB3.1 million; and (iv) a decrease in income tax expenses of approximately RMB2.0 million was partially offset by (i) a decrease in gross profit of approximately RMB5.5 million; (ii) an increase in administrative expenses of approximately RMB8.7 million; and (iii) an increase in impairment of trade receivables of approximately RMB6.1 million.

OUTLOOK

The boom of AI technology development has brought a new round of evolution and opportunities to various industries. The digital entertainment service industry aligns with AI technology, quickly becoming the frontier of technological innovation. It has not only rapidly developed in terms of technological integration, but also demonstrated astonishing speed and efficiency in practical application. The integration of AI technology has enriched and enhanced the form of performance and user experience of digital entertainment services, and will also provide new energy for the innovation and development of the overall digital entertainment service industry.

At the same time, the global players' demand for high-quality and diversified gaming products continues to grow. Domestic games like the Black Myth: Wukong continue to gain influence globally, and gradually demonstrate their competitiveness internationally. In the future, the domestic and overseas gaming markets will experience stronger development.

The Company will focus on the future, seize the industry opportunities brought by the boom of AI technology, and continue to increase investment in mobile games development, digital media development, AI technology development and overseas market expansion. We will further explore the integration of AI technology with our businesses, continuously uncover new application scenarios of products, integrate resources to make innovation, create more product portfolios, and further expand the accumulation and expansion of advertising distribution service experience to provide customers with more high-quality advertising integrated marketing solutions, providing customers with more efficient advertising and promotion services for their products.

PROSPECTS

In 2025, the Company will continue to focus on AI technology, increase efforts in technology development, promote the application of products, further improve the digital entertainment service ecosystem empowered by AI technology, and achieve the integrated development of mobile games and digital media businesses with AI technology. We will also enhance user experience and user viscosity through technological innovation and product iteration.

Meanwhile, the Company will strengthen the development of mobile games and actively expand into overseas markets. By collaborating with well-known intellectual property companies and renowned gaming companies, the Company will create high-quality games and continuously enhance its reputation and influence in the international market. The Company will deepen the business structure of digital media, enhance its capability for digital media distribution services, and provide higher-quality advertisement services to partners, to gain mutual benefits.

Looking forward, the Company will continue to adhere to the principles of allocating resources in a flexible and timely manner. While ensuring the steady development of existing businesses, the Company will closely monitor market demands, continuously advance its diversified business development strategies empowered by AI technology, improve the efficiency of digital entertainment service platforms, provide users with higher-quality products and services, and lay a more solid foundation for the Company's long-term development.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my heartfelt gratitude to our shareholders, members of the Board, senior management and all our staffs for their dedication and contribution during the year. On behalf of the Board, I would like to thank our clients, suppliers, and business partners for their relentless support and trust. Going forward, we shall strive to explore further opportunities and overcome challenges, as we remain steadfast and committed to attaining better result for the Group.

Infinities Technology International (Cayman) Holding Limited
Li Qiang
Chairman

28 March 2025

Report of Directors

The Directors are pleased to present this annual report together with the audited financial statements of the Group for FY2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the development and operation of mobile games, the distribution of digital media content and gaming products supply in China and overseas.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the Financial Statements.

RESULTS

The results of the Group for FY2024 and the Group's financial position at that date are set out in the financial statements on pages 83 to 89 of this annual report.

BUSINESS REVIEW

The business review of the Group for FY2024 is set out in the sections headed "Financial Highlights", "Chairman's Statement" and "Management Discussion and Analysis" on pages 4 to 5, pages 6 to 8 and pages 40 to 49 of this annual report, respectively.

Description of principal risks and uncertainties that the Group may be facing can be found in the sections headed "Management Discussion and Analysis — Principal Risks and Uncertainties" on page 49 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 40 to 49 of this annual report.

The Company is in compliance with the relevant laws and regulations that have a significant impact on the Company for FY2024.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for FY2024 (for FY2023: nil).

SHARE CAPITAL

Details of the movement in the share capital of the Company during FY2024 are set out in note 28 to the Financial Statements.

RESERVES

Details of the movements in reserves of the Group during FY2024 are set out in the consolidated statement of changes in equity on page 87 of this annual report and in note 29 to the Financial Statements.

TAX RELIEF

The Company is not aware of any relief on taxation to the Shareholders by reasons of their holdings of the Shares. If the Shareholders are unsure about the taxation implication of purchasing, holding, disposing of, dealing in, or exercise of any rights in relation to the Shares, they are advised to consult their professional advisers.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had distributable reserves of approximately RMB177.9 million.

FINANCIAL HIGHLIGHTS

A summary of the Results and the Assets and Liabilities of the Group is set out on pages 4 to 5 of this annual report. This summary does not form part of the audited financial statements.

BORROWINGS

During FY2024, the Group had loans of approximately RMB3.2 million from fellow subsidiaries and interest-bearing bank borrowings of RMB3.0 million.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares were held by the public as at the date of this annual report.

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

During FY2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

The net proceeds raised by the Company from placing of new shares under general mandate on 2 May 2023 (the "**First Placing**") are approximately RMB88.18 million (after deduction of the underwriting commissions in respect of the offering and other estimated expenses). As at 31 December 2024, the net proceeds from the First Placing were fully utilised in accordance with the intended purposes stated in the announcement of the Company dated 2 May 2023 (the "**Placing Announcement I**").

As at 31 December 2024, the net proceeds from the First Placing under general mandate had been applied as follows:

	Net amount available on 2 May 2023 RMB million	Actual net amount utilised as at 31 December 2024 RMB million	Unutilised net amount on 31 December 2024 RMB million
30% for Research and development in the gaming products and AI products	26.45	26.45	–
15% for Expand the gaming sector	13.23	13.23	–
15% for Expand digital media sector	13.23	13.23	–
40% for Working capital and general corporate use	35.27	35.27	–
Total	88.18	88.18	–

The net proceeds raised by the Company from placing of new shares under general mandate on 18 December 2023 (the "**Second Placing**") are approximately RMB25.32 million (after deduction of the underwriting commissions in respect of the offering and other estimated expenses). As at 31 December 2024, the net proceeds from the Second Placing were fully utilised in accordance with the intended purposes stated in the announcement of the Company dated 18 December 2023 (the "**Placing Announcement II**").

As at 31 December 2024, the net proceeds from the Second Placing under general mandate had been applied as follows:

	Net amount available on 18 December 2023 RMB million	Actual net amount utilised as at 31 December 2024 RMB million	Unutilised net amount on 31 December 2024 RMB million
30% for Research and development in the gaming products and AI products	7.60	7.60	–
30% for Expand the gaming sector	7.60	7.60	–
40% for Working capital and general corporate use	10.12	10.12	–
Total	25.32	25.32	–

The net proceeds raised by the Company from placing of new shares under general mandate on 28 March 2024 (the "**Third Placing**") are approximately RMB12.96 million (after deduction of the underwriting commissions in respect of the offering and other estimated expenses). As at 31 December 2024, the net proceeds from the Third Placing were fully utilised in accordance with the intended purposes stated in the announcement of the Company dated 28 March 2024 (the "**Placing Announcement III**").

As at 31 December 2024, the net proceeds from the Third Placing under general mandate had been applied as follows:

	Net amount available on 28 March 2024 RMB million	Actual net amount utilised as at 31 December 2024 RMB million	Unutilised net amount on 31 December 2024 RMB million
30% for Research and development in the gaming products and AI products	3.89	3.89	–
30% for Expand the gaming sector	3.89	3.89	–
40% for Working capital and general corporate use	5.18	5.18	–
Total	12.96	12.96	–

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, or the laws of the Cayman Islands, and there is no restriction against such rights which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

DIRECTORS

The Directors during FY2024 and up to the date of this annual report were:

Executive Directors

Mr. LI Qiang *(Chairman) (appointed on 24 April 2024)*
Mr. WANG Le
Mr. CHEN Ying *(resigned on 24 April 2024)*

Non-executive Directors

Mr. WANG Ning
Mr. LIANG Junhua
Ms. WANG Yan *(appointed on 28 March 2025)*

Independent Non-executive Directors

Mr. LEUNG Ming Shu
Mr. TANG Shun Lam
Mr. YAN Chi Kwan *(appointed on 19 February 2024 and resigned on 28 March 2025)*

According to the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company, provided that every Director shall retire from office by rotation and are subject to re-election at annual general meeting at least once every three years. Directors who are appointed to fill casual vacancies shall hold office only until the next following general meeting after their appointment, and are subject to re-election by shareholders of the Company.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the Independent Non-executive Directors, has confirmed to the Company their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has reviewed the independence of each of these Directors and considers all the Independent Non-executive Directors to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 73 to 76 of this annual report.

DIRECTORS' SERVICE CONTRACTS

The Executive Directors, Mr. WANG Le (Chairman) and Mr. CHEN Ying, have entered into a service contract with our Company for a term of three years commencing from 23 May 2022. Mr. WANG Le has resigned as the chairman of the Board on 24 April 2024, and continues to serve as an Executive Director. Mr. CHEN Ying had resigned on 24 April 2024.

The Executive Directors, LI Qiang (Chairman), has entered into a service contract with our Company for a term of three years commencing from 24 April 2024 or until terminated by not less three months' notice in writing served by either party on the other.

The Non-executive Directors, Mr. WANG Ning and Mr. LIANG Junhua have been appointed for an initial term of three years commencing from 23 May 2022 pursuant to a letter of appointment, and Ms. WANG Yan, has been appointed for an initial term of three years commencing from 28 March 2025 pursuant to a letter of appointment. Either our Company or the Non-executive Directors may give a three months' written notice to the other party for early termination of appointment.

The Independent Non-executive Directors, Mr. LEUNG Ming Shu and Mr. TANG Shun Lam, have been appointed for an initial term of three years commencing from 23 May 2022 pursuant to a letter of appointment, and Mr. YAN Chi Kwan, has been appointed for an initial term of three years commencing from 19 February 2024 pursuant to a letter of appointment. Mr. YAN Chi Kwan has resigned on 28 March 2025. Either our Company or the remaining Independent Non-executive Directors may give a three months' written notice to the other party for early termination of appointment.

The above appointments are always subject to the provisions of retirement, rotation of directors under the Articles of Association.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company, any of our subsidiaries, or our Consolidated Affiliated Entities (excluding contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

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

As at 31 December 2024, the interests and short positions[1] of the Directors and chief executives at the relevant time being in 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 (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interest in Shares and underlying Shares

Name of Director	Capacity/Nature of Interest	Number of Shares or securities held	Approximate percentage of shareholding
Mr. Wang Le[1]	Interest in controlled corporation/Long position	450,776,711	61.39%

Note:

(1) These Shares were held by Infinities Global, a limited company owned as to approximately 53.74% by Infinities Worldwide. Infinities Worldwide is a direct wholly-owned subsidiary of Infinities B&M, which is a direct wholly-owned subsidiary of Infinities Cayman. Infinities Cayman was held as to approximately 22.06% by its largest shareholder (i.e. Zhouqinhantang Technology Management Ltd.). Zhouqinhantang Technology Management Ltd. was indirectly controlled by Mr. Wang Le (who is the Chairman and an Executive Director) as to 50% and Ms. An Fenghua as to 50%. Mr. Wang Le and Ms. An Fenghua are the ultimate controllers of Infinities Global.

(ii) Interest in associated corporations

Name of Director	Name of the Company's associated corporation	Capacity/Nature of Interest	Approximate percentage of shareholding
Mr. Liang Junhua	Guangzhou Jiu Zun[1]	Beneficial interest	32.26%

Note:

(1) Mr. Liang Junhua owns 32.26% capital contribution in Guangzhou Jiu Zun.

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, to the knowledge of the Directors, the following persons (other than the Director or chief executive of the Company) had an interest or a short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interests	Total number of Shares	Approximate percentage of shareholding (%)
Ms. An Fenghua[(1)]	Interest in controlled corporation/Long position	450,776,711	61.39%
Infinities Cayman[(1), (3)]	Interest in controlled corporation/Long position	450,776,711	61.39%
Infinities B&M[(1), (3)]	Interest in controlled corporation/Long position	450,776,711	61.39%
Infinities Worldwide Limited[(1), (3)]	Interest in controlled corporation/Long position	354,476,711	48.27%
Ms. Liu Xiaoke[(2)]	Interest in controlled corporation/Long position	354,476,711	48.27%
Infinities Global[(1), (2), (3)]	Beneficial interest/Long position	354,476,711	48.27%

Notes:

(1) These Shares were held by Infinities Global, a limited company owned as to approximately 53.74% by Infinities Worldwide. Infinities Worldwide is a direct wholly-owned subsidiary of Infinities B&M, which is a direct wholly-owned subsidiary of Infinities Cayman. Infinities Cayman was held as to approximately 22.06% by its largest shareholder (i.e. Zhouqinhantang Technology Management Ltd.). Zhouqinhantang Technology Management Ltd. was indirectly controlled by Mr. Wang Le as to 50% and Ms. An Fenghua as to 50%. Mr. Wang Le and Ms. An Fenghua are the ultimate controllers of Infinities Global.

(2) These Shares were held by Infinities Global, a limited company owned as to approximately 46.26% by Ms. Liu Xiaoke.

(3) Mr. Wang Le, an Executive Director, is also a director of Infinities Cayman, Infinities B&M and Infinities Worldwide Limited. Save as disclosed, no Director is an employee or director of any substantial shareholder of the Company.

Save as disclosed above, as at the date of this annual report, the Directors are not aware of any person (other than the Directors or chief executives of the Company) who had an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

Save as disclosed in this annual report, as at 31 December 2024, the Director have not been notified by any person who had interest or a short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, change of directors' information of the Company since the Company's latest published annual report is as follows:

Mr. LIANG Junhua has been a director of Shenzhen Glory Medical Co., Ltd.* (深圳市尚榮醫療股份有限公司), a listed company on the Shenzhen Stock Exchange (stock code: 2551) with effect from 22 October 2021.

Mr. TANG Shun Lam resigned as an independent director and a member of the audit committee of Missfresh Limited, a listed company on the NASDAQ (stock code: MF) in December 2023. Mr. TANG Shun Lam has been appointed as a member of the Audit Committee of the Company from 28 March 2025. For further details, please refer to the announcement of the Company dated 28 March 2025.

Mr. YAN Chi Kwan has been appointed as an Independent Non-executive Director, a member of each of the Audit Committee and the Remuneration Committee of the Company for a term of three years with effect from 19 February 2024. For further details, please refer to the announcement of the Company dated 19 February 2024. Mr. YAN Chi Kwan had resigned as an Independent Non-executive Director, a member of each of the Audit Committee and the Remuneration Committee of the Company from 28 March 2025. For further details, please refer to the announcement of the Company dated 28 March 2025.

Mr. WANG Le has resigned as the chairman of the Board and the chairman of the Nomination Committee of the Company with effect from 24 April 2024 and continues to serve as an Executive Director. For further details, please refer to the announcement of the Company dated 24 April 2024.

Mr. LI Qiang has ceased to be acting Chief Executive Officer of the Company, and he has been appointed as an Executive Director, the Chairman of the Board, Chief Executive Officer and the chairman of the Nomination Committee of the Company for a term of three years with effect from 24 April 2024. For further details, please refer to the announcement of the Company dated 24 April 2024.

Mr. CHEN Ying has resigned as an Executive Director of the Company with effect from 24 April 2024. For further details, please refer to the announcement of the Company dated 24 April 2024.

Mr. WANG Ning has resigned as an independent non-executive director, chairman of the remuneration committee as well as a member of each of the audit committee, the nomination committee, the risk management committee and the share award committee of Zhong Ji Longevity Science Group Limited, a listed company on the Stock Exchange (stock code: 767) with effect from 10 July 2024.

Mr. LEUNG Ming Shu has been appointed as a member of the Remuneration Committee of the Company with effect from 28 March 2025. For further details, please refer to the announcement of the Company dated 28 March 2025.

Ms. WANG Yan has been appointed as a non-executive Director of the Company for a term of three years with effect from 28 March 2025. For further details, please refer to the announcement of the Company dated 28 March 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during FY2024 and up to the date of this annual report was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

RETIREMENT BENEFITS PLANS

The Group contributes to defined contribution retirement schemes which are available to all employees. No forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may be used by the employer to reduce the existing level of contributions.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this annual report, none of the Directors and their respective associates that has interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, save and except for the following:

Infinities Technology Group

Infinities Technology Group was founded in 2012 and is principally engaged in technology and media businesses in the PRC. Infinities Technology Group is controlled by Infinities Cayman pursuant to contractual arrangements, and Infinities Cayman is ultimately controlled by, among others, Mr. Wang Le who is an executive Director and a controlling shareholder of the Company. Mr. Wang Le is also the chairman of Infinities Technology Group. Infinities Technology Group engages in the sale of console game hardware and related products, media operations (including campus social media platform (Renren.com (人人網)), the Chinese online gaming social platform (NGA.cn)), online advertising business (廣告流量業務), and online gaming business, which may compete or is likely to compete, either directly or indirectly, with the Group's existing businesses.

Mr. Wang Le, an executive Director, is the chairman of Infinities Technology Group, and is not involved in the daily operation of Infinities Technology Group. By reasons of the fact that Infinities Technology Group and the Group have (i) different management teams; (ii) different development and operation systems; (iii) independent sales and marketing activities; (iv) different target customers; and (v) different independent financial and accounting systems, the Directors held the view that the Group is financially and operationally independent from Infinities Technology Group. The Company has established relevant corporate governance measures to avoid conflicts of interest between the Group and any Director, such as a Director shall abstain from voting and shall not be counted towards the quorum for voting on any matters which he/she might be in conflict of interest. The Directors considered that the operations of Infinities Technology Group would not affect the Group's business.

MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENT

On 8 September 2023, the Company entered into a share purchase agreement with Infinities B&M Technology Limited ("**Infinities B&M**"), pursuant to which the Company conditionally agreed to acquire and Infinities B&M conditionally agreed to sell the entire issued share capital of Infinities Wonder Limited ("**Infinities Wonder**") at the consideration of HK$134,820,000. The consideration shall be satisfied by the 96,300,000 shares to be issued and allotted by the Company under specific mandate. On 24 April 2024, the Company completed the acquisition, and held the entire issued share capital of Infinities Wonder, while Infinities Wonder has become a wholly-owned subsidiary of the Company and indirectly owns 60% equity interest in Beijing Wande. Pursuant to the share purchase agreement, the Company has allotted and issued 96,300,000 consideration shares at the issue price of HK$1.4 per consideration share to Infinities B&M under the acquisition. For details, please refer to the announcement of the Company dated 24 April 2024.

Saved as disclosed in the announcement, there were no material acquisition and disposal of subsidiaries, associates and joint ventures, or significant investments held by the Group for the year ended 31 December 2024.

CONNECTED TRANSACTIONS, RELATED PARTY TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Reference is made to (i) the announcements of the Company dated 1 August 2022 and 19 September 2022, and the circular of the Company dated 2 September 2022; and (ii) the announcements of the Company dated 23 June 2023 and 6 October 2023, and the circular of the Company dated 11 October 2023, the following transaction of the Group constituted a continuing connected transaction for the Group for the year ended 31 December 2024. This continuing connected transaction also constituted a related party transaction of the Group as disclosed in note 33 to the consolidated financial statements.

Non-Exempt Continuing Connected Transaction

(1) Pursuant to the gaming products supply agreement dated 1 August 2022 ("**Gaming Products Supply Agreement**") entered into between Emperor and Chengdu Bashi, and the supplemental agreement dated 19 September 2022 (the "**Supplemental Agreement**") entered into between Emperor, Chengdu Bashi and Infinities Cayman, pursuant to which the Group agreed to supply the gaming consoles, console games, their merchandise and accessories (the "**Products**") to Infinities Cayman and its subsidiaries for the period from 1 August 2022 to 31 December 2024.

The annual caps under the Gaming Products Supply Agreement for each of the five months ending 31 December 2022 and the years ending 31 December 2023 and 2024 is RMB45 million, RMB100 million and RMB140 million, respectively (equivalent to HK$52.65 million, HK$117 million and HK$163.80 million, respectively). The annual caps for the Gaming Products Supply Agreement for the period from 1 August 2022 to 31 December 2024 are determined with reference to (i) the prevailing overall business scale and operational scale of the Group; (ii) the anticipated development and growth of the Group in the sale of game consoles and console games by the Group; (iii) the estimated purchase amount of Chengdu Bashi for the Products; (iv) the estimated growth of the game consoles and console games market in the PRC; and (v) the estimated prices for procurement of the Products under the Gaming Products Supply Agreement for the period from 1 August 2022 to 31 December 2024.

As at 31 December 2024, Infinities Global held approximately 48.27% of the issued Shares. Infinities Global was held as to approximately 53.74% by Infinities Worldwide Limited which was in turn wholly owned by Infinities B&M, and Infinities B&M was wholly owned by Infinities Cayman. Chengdu Bashi was indirectly controlled by Infinities B&M via contractual arrangements, and the financial results of Chengdu Bashi were consolidated into the financial statements of Infinities B&M, which were in turn consolidated into the financial statements of Infinities Cayman. Therefore, both Chengdu Bashi and Infinities Cayman are connected persons of the Company under the Listing Rules. Thus, the transactions contemplated under the Gaming Products Supply Agreement (as supplemented by the Supplemental Agreement) would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the Gaming Products Supply Agreement (as supplemented by the Supplemental Agreement) are more than 25% and the annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement and the Supplemental Agreement are expected to be higher than HK$10 million, such transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) Pursuant to the Advertising Traffic Mutual Supply Agreement* (廣告流量互供框架協議) ("**Advertising Traffic Mutual Supply Agreement**") dated 23 June 2023 entered into between Emperor and Infinities Cayman and the Supplemental Advertising Traffic Mutual Supply Agreement ("**Supplemental Advertising Traffic Mutual Supply Agreement**") dated 6 October 2023 entered into between Emperor and Infinities Cayman, pursuant to which the Group agreed to conduct the traffic procurement transactions and traffic supply transactions with Infinities Cayman and its subsidiaries for the period from 1 July 2023 to 31 December 2025.

For six months ended 31 December 2023 and years ending 31 December 2024 and 2025, (i) annual caps in respect of the traffic procurement transactions under the Advertising Traffic Mutual Supply Agreement is RMB150 million, RMB400 million and RMB400 million, respectively (equivalent to HK$163.5 million, HK$436 million and HK$436 million, respectively); and (ii) annual caps in respect of the traffic supply transactions under the Advertising Traffic Mutual Supply Agreement is RMB45 million, RMB120 million and RMB120 million, respectively (equivalent to HK$49.05 million, HK$130.8 million and HK$130.8 million, respectively). The annual caps of the Advertising Traffic Mutual Supply Agreement for the period from 1 July 2023 to 31 December 2025 are determined with reference to (i) the prevailing overall business scale and operational scale of the Group; (ii) the anticipated development and growth of the Group in the scale of the advertisement distribution services by the Group; (iii) the estimated demand amount from the customers of Emperor for the procurement and supply of services; (iv) the estimated growth of the advertisement distribution services market in the PRC; and (v) the estimated prices for procurement and supply of the services under the Advertising Traffic Mutual Supply Agreement for the period from 1 July 2023 to 31 December 2025.

As at 31 December 2024, Infinities Global held approximately 48.27% of the issued Shares. Infinities Global was held as to approximately 53.74% by Infinities Worldwide which was in turn wholly owned by Infinities B&M, and Infinities B&M was wholly owned by Infinities Cayman. Therefore, Infinities Cayman is a connected person of the Company under the Listing Rules. Thus, the transactions contemplated under the Advertising Traffic Mutual Supply Agreement (as supplemented by the supplemental agreement) would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the Advertising Traffic Mutual Supply Agreement (as supplemented by the supplemental agreement) are more than 25% and the annual caps in respect of the transactions contemplated under the Advertising Traffic Mutual Supply Agreement and the supplemental agreement are expected to be higher than HK$10 million, such transactions are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) Pursuant to the NGA Exclusive Franchise Agreement* (NGA獨家經營權框架協議) ("**NGA Exclusive Franchise Agreement**") dated 23 June 2023 entered into between Emperor and Infinities Cayman, pursuant to which the Group agreed to conduct the NGA Franchise Transactions with Infinities Cayman and its subsidiaries for the period from 1 July 2023 to 31 December 2025.

For six months ended 31 December 2023 and years ending 31 December 2024 and 2025, annual caps in respect of the NGA Franchise Transactions under the NGA Exclusive Franchise Agreement is RMB12.5 million, RMB25 million and RMB25 million, respectively (equivalent to HK$13.6 million, HK$27.3 million and HK$27.3 million, respectively). The annual caps of the NGA Exclusive Franchise Agreement for the period from 1 July 2023 to 31 December 2025 are determined with reference to (i) the prevailing overall business scale and operational scale of the Group; (ii) the estimated demand amount from the customers of NGA for the services; (iii) the estimated growth of the gaming and advertising market in the PRC; and (iv) the estimated prices for exclusive operation right under the NGA Exclusive Franchise Agreement for the period from 1 July 2023 to 31 December 2025.

As at 31 December 2024, Infinities Global held approximately 48.27% of the issued Shares. Infinities Global was held as to approximately 53.74% by Infinities Worldwide which was in turn wholly owned by Infinities B&M, and Infinities B&M was wholly owned by Infinities Cayman. Therefore, Infinities Cayman is a connected person of the Company under the Listing Rules. Thus, the transactions contemplated under the NGA Exclusive Franchise Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the NGA Exclusive Franchise Agreement are more than 5% but less than 25% and the annual caps in respect of the transactions contemplated under the NGA Exclusive Franchise Agreement are expected to be higher than HK$10 million, such transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors confirm that the non-exempt continuing connected transaction had been entered into in the ordinary and usual course of the business of our Group and was based on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Except for the aforementioned continuing connected transactions stated under this section and the arrangements set out in the section headed "Contractual arrangement" in this annual report which would fall within the definition of continuing connected transaction under the Listing Rules, all other related party transactions taken place during the year ended 31 December 2024 which were disclosed in note 33 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company has complied with applicable disclosure requirements under Chapter 14A of the Listing Rules in respect of the aforesaid transactions.

Confirmation of Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the above continuing connected transactions of the Company and confirmed that such transaction has 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 favorable 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.

Confirmation from the Company's Independent Auditors

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 year ended 31 December 2024:

(a) nothing has come to the auditor's attention that causes them to believe that the disclosed continuing connected transactions were not been approved by the Board;

(b) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(c) 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 governing such transactions;

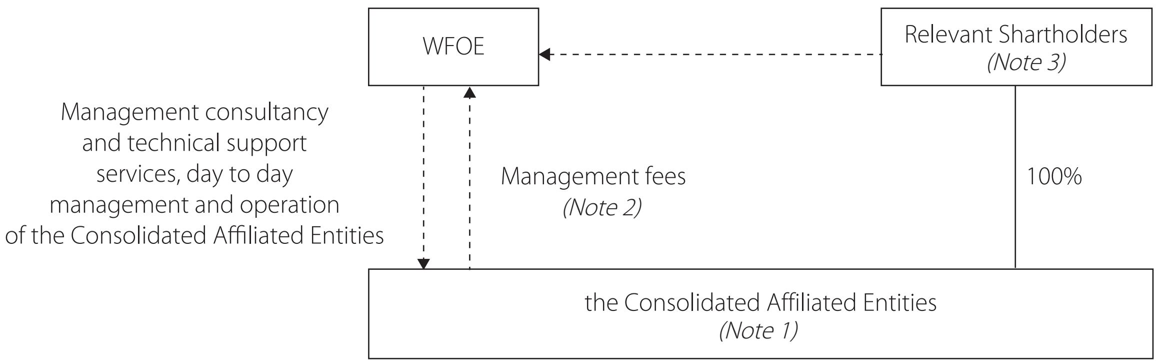
(d) with respect to the aggregate amount of the continuing connected transactions set out above, nothing has come to the auditor's attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual caps as set by the Company; and

(e) with respect to the transactions carried out pursuant to 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 Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying and Chengdu Wanxiang to the holders of their equity interests which are not otherwise subsequently assigned or transferred to the Group.

CONTRACTUAL ARRANGEMENTS

Our business are operated principally under three business lines: (i) mobile game development and operation; (ii) digital media content distribution; and (iii) gaming products supply. We conduct our business through our Consolidated Affiliated Entities (as defined below). As the operation of our businesses in the PRC is subject to foreign investment restrictions under PRC law, our Company is unable to own or hold any direct or indirect equity interest in our Consolidated Affiliated Entities. Investment activities in the PRC by foreign investors are mainly governed by the Guidance Catalog of Industries for Foreign Investment (the "**Catalog**"), which was promulgated and is amended from time to time jointly by the MOFCOM and the NDRC. The Catalog divides industries into four categories in terms of foreign investment, including "encouraged," "restricted" and "prohibited," and all industries not listed under any of these categories are deemed to be "permitted." According to the Catalog, the (i) mobile game development and operation and (ii) digital media content distribution that our Company currently operates falls into the internet cultural business which is considered "prohibited," and relates to the value-added telecommunications services which is considered "restricted." As a result of the foregoing, we entered into a series of contractual arrangements with Guangzhou Jiu Zun on 23 February 2019, and a series of contractual arrangements with Chengdu Zhile on 15 July 2022 and 22 July 2024, and a series of contractual arrangements with Chengdu Benying on 15 July 2022, and a series of contractual arrangements with Chengdu Wanxiang on 5 February 2024, respectively (collectively, the "**Contractual Arrangements**") through WFOE to conduct our businesses in the PRC in order to comply with the applicable PRC laws and regulations and to assert management control over the operations of, and enjoy all economic benefits of the Consolidated Affiliated Entities. The existing agreements underlying such contractual arrangements with the Consolidated Affiliated Entities, include (a) the Management Services Agreement; (b) the Irrevocable Option Agreement; (c) the Equity Pledge Agreement; (d) the Intellectual Property Transfer and Licence Agreement; and (e) the Voting Rights Proxy Agreements and Powers of Attorney.

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



Notes:

(1) The Consolidated Affiliated Entities of our Company are Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chengdu Wanxiang and their subsidiaries.

(2) WFOE provides Management consultancy and technical support services, day to day management and operation and other services in exchange for service fees from the Consolidated Affiliated Entities. Please refer to the paragraph headed "Summary of the Contractual Arrangements" below.

(3) The Relevant Shareholders of the Consolidated Affiliated Entities are: (i) Mr. Liang Junhua, Zhuhai Hengqin Chenghe Investment, Zhuhai Hengqin Yingming Investment, Mr. Xu and Ms. Zhang, holding 32.26%, 26.88%, 26.88%, 7.53% and 6.45% shares in Guangzhou Jiu Zun, respectively; (ii) Mr. Liu Chang and Mr. Wang Hengzhi holding 95% and 5% shares in Chengdu Zhile, respectively; (iii) Mr. Zhou Wenbo and Mr. Han Xin holding 95% and 5% shares in Chengdu Benying, respectively; and (iv) Mr. Liu Chang and Mr. Wang Hengzhi holding 95% and 5% shares in Chengdu Wanxiang, respectively.

(4) "——" denotes direct legal and beneficial ownership in the equity interest and "– – –" denotes contractual relationship through the Contractual Arrangements.

Summary of the Contractual Arrangements

(a) Management Services Agreement

Under the management services agreement among WFOE, the Consolidated Affiliated Entities and the Relevant Shareholders (the "**Management Services Agreement**"), the Consolidated Affiliated Entities agreed to pay a management fee to WFOE and WFOE agreed to provide management consultancy services to the Consolidated Affiliated Entities on an exclusive basis and shall be responsible for the day to day management and operation of the Consolidated Affiliated Entities, including:

- conducting market research and investigation, formulating the Consolidated Affiliated Entities budget, business objectives, development guidelines and expansion strategies, expanding and promoting the Consolidated Affiliated Entities business plan and determining the Consolidated Affiliated Entities service charges;

- formulating and implementing various business processes, case approval systems and risk control management systems;

- establishing the administrative system of the Consolidated Affiliated Entities, selecting and nominating competent persons with related experience as directors, general managers, senior management and employees of the Consolidated Affiliated Entities and providing staff training as and when necessary or appropriate;

- disposing of the Consolidated Affiliated Entities assets;

- formulating and implementing the accounting and financial systems and internal control systems; and

- entering into licensing agreements (including software, trademarks, patents and technical secrets) of intellectual property directly or through WFOE's nominated parties, such agreements shall allow the Consolidated Affiliated Entities to use, when required by business, WFOE's relevant intellectual property.

Summary of the major terms of the structured contracts under the Management Services Agreement

(i) Under the Management Services Agreement, the service fee shall be in the amount equivalent to the total revenue of the Consolidated Affiliated Entities after deducting all relevant costs, expenses and taxes payable by the Consolidated Affiliated Entities. If there is a loss for a particular year, the service fee shall not accrue until the Consolidated Affiliated Entities achieves a surplus. WFOE shall calculate the service fee on a six-month basis and issue a corresponding invoice to the Consolidated Affiliated Entities.

(ii) The Management Services Agreement also provides that WFOE shall enjoy exclusive proprietary rights over all rights, ownership and intellectual property developed or created by the Consolidated Affiliated Entities, including but not limited to copyrights, patents, patent applications, trademarks, software, technical secrets, trade secrets and others.

(iii) Under the Management Services Agreement, the Relevant Shareholders agreed to pledge all their respective equity interests in the Consolidated Affiliated Entities to WFOE as a security interest to guarantee the obligation of the Consolidated Affiliated Entities under the Management Services Agreement by way of entering into the Equity Pledge Agreement.

(iv) The Management Services Agreement shall remain effective unless terminated in accordance with the provisions of the Management Services Agreement. Any of the parties to the Management Services Agreement may give written notice to the other to terminate part of or the whole Management Services Agreement if the parties are unable to continue their performance of the Management Services Agreement due to legal restrictions, national policies, government administrative actions or any of the events as set out below, including but not limited to:

- where a party breaches any provisions of the Management Services Agreement, such breach rendering the performance of the Management Services Agreement impossible, and such breach is not rectified within 20 days of the written notice given by the non-defaulting party;

- where a force majeure event has occurred for more than 120 days; and

- where PRC laws allows WFOE to directly hold equity interest in the Consolidated Affiliated Entities and the Relevant Shareholders have completed the registration of the transfer of equity interest in the Consolidated Affiliated Entities to WFOE with the relevant administration for industry and commerce in accordance with PRC laws.

(b) Irrevocable Option Agreement

Under the irrevocable option agreement among WFOE, the Consolidated Affiliated Entities and the Relevant Shareholders (the "**Irrevocable Option Agreement**"), the Consolidated Affiliated Entities and the Relevant Shareholders agreed to irrevocably grant to WFOE the exclusive right to purchase all or part of the equity interest in the Consolidated Affiliated Entities and agreed that WFOE has right to transfer such purchase right to a third party without the consent of the Consolidated Affiliated Entities and the Relevant Shareholders.

Summary of the major terms of the structured contracts under the Irrevocable Option Agreement

The Relevant Shareholders, among other things, have covenanted that:

(i) They shall not sell, transfer, mortgage, lease, gift or otherwise dispose of the equity interest in the Consolidated Affiliated Entities or establish any limits on the rights of the relevant equity without the written consent of WFOE;

(ii) They shall not sell, transfer, mortgage, or otherwise dispose of the assets, obligations, income or benefit rights of the Consolidated Affiliated Entities or establish any encumbrances over such assets, obligations, income or benefit rights of the Consolidated Affiliated Entities without the written consent of WFOE;

(iii) They shall not involve the Consolidated Affiliated Entities separately or collectively in any transaction that may have a material bearing on the Consolidated Affiliated Entities' assets, liabilities, operations, shareholders' equity, or other legal rights (unless the transaction relates to the Consolidated Affiliated Entities' daily operations or the Relevant Shareholders have already notified WFOE and WFOE has agreed in writing);

(iv) They shall not supplement or modify the constitutional documents of the Consolidated Affiliated Entities either separately or collectively in any form, nor shall it increase or decrease the Consolidated Affiliated Entities' registered capital or otherwise change its registered capital structure so as to result in a material change in the Consolidated Affiliated Entities' assets, liabilities, business, shareholders' equity or other legal rights;

(v) They shall not sign, make, perform or procure other necessary persons to sign, make or perform any action, any contracts, undertakings, instruments and documents as required by WFOE that may lead to WFOE or a third party designated by it to validly obtain the equity interest in the Consolidated Affiliated Entities free of encumbrances;

(vi) They shall not procure or permit the Consolidated Affiliated Entities or any other person to merge or unite, or to acquire or invest in any other person, or procure or permit the Consolidated Affiliated Entities to sell any assets of RMB100,000 or above without the prior written consent of WFOE;

(vii) They shall operate the Consolidated Affiliated Entities prudently and safeguard the Consolidated Affiliated Entities' assets and take all necessary measures to maintain the integrity of the Consolidated Affiliated Entities' equity interest;

(viii) They shall notify WFOE of any litigation, arbitration or administrative proceedings that will occur or may occur in relation to the Consolidated Affiliated Entities' assets, business or income;

(ix) They shall sign all necessary or appropriate documents, take all necessary or appropriate actions or raise any necessary or appropriate complaints or appropriate defenses against any claims to protect the Consolidated Affiliated Entities' rights to its assets;

(x) They shall ensure the Consolidated Affiliated Entities does not distribute dividends in any form to its shareholders without the prior written consent of WFOE. the Consolidated Affiliated Entities shall immediately distribute all distributable profits to its shareholders upon the written request of WFOE;

(xi) at the request of WFOE, they shall appoint any person nominated by WFOE to act as a director of the Consolidated Affiliated Entities and/or to remove any existing director of the Consolidated Affiliated Entities;

(xii) the Consolidated Affiliated Entities may not be dissolved or liquidated without WFOE's written consent unless required by PRC law; and

(xiii) They shall not do anything that may threaten or adversely affect WFOE's right to purchase shares. If there is any possibility of circumstances that may threaten or adversely affect such right, it shall immediately notify WFOE.

The Relevant Shareholders have undertaken that, subject to the relevant laws and regulations, they will return to WFOE any consideration they receive in the event that WFOE exercises the option under the Irrevocable Option Agreement to acquire the equity interests in the Consolidated Affiliated Entities.

The Relevant Shareholders have also undertaken, in the event of death or any other event which causes the inability of the shareholder to perform their day-to-day obligations, bankruptcy, marriage or divorce, to transfer all of the equity interests, including rights and obligations in the Consolidated Affiliated Entities, held by them without consideration to WFOE or an individual or legal entity designated by WFOE under applicable PRC laws.

The Irrevocable Option Agreement shall remain effective until it is terminated in accordance with the provision of the Irrevocable Option Agreement.

(c) Equity Pledge Agreement

Under the equity pledge agreement entered into among WFOE, the Consolidated Affiliated Entities and the Relevant Shareholders (the "**Equity Pledge Agreement**"), the Relevant Shareholders agreed to pledge all their respective equity interests (the "**Pledged Equity Interests**") in the Consolidated Affiliated Entities, the aggregate being the entire equity interest in the Consolidated Affiliated Entities, including any interest or dividend paid for the shares, to WFOE as a security interest to guarantee the obligation of the Consolidated Affiliated Entities to pay the management fee under the Management Services Agreement to WFOE.

Summary of the major terms of the structured contracts under the Equity Pledge Agreement

Pursuant to the Equity Pledge Agreement, the Relevant Shareholders and the Consolidated Affiliated Entities undertake to WFOE that each of them shall not, among other matters:

(a) transfer the Pledged Equity Interests or create or allow further pledge or encumbrance over the Pledged Equity Interests without the prior written consent of WFOE;

(b) dispose of or in any other forms to dispose of the current assets of the Relevant Shareholders and the Consolidated Affiliated Entities (otherwise than disposals arising in the normal operations), including but not limited to transfer, sale, assign, mortgage, pledge, lien, lease, give away the aforesaid current assets or set restrictions thereon;

(c) enter into or incur any external loan or give any guarantee for any external loan without the prior written consent of WFOE (otherwise than the normal operations);

(d) change its key management personnel, including but not limited to directors, deputy directors, general manager, deputy general manager, chief financial officers, without the prior written consent of WFOE;

(e) declare dividends as well as petition for bankruptcy, liquidation, dissolution, termination, corporate separation and merger without the prior written consent of WFOE;

(f) alter its constitutional documents and change of its company's name or business scopes without the prior written consent of WFOE; and

(g) take away the core businesses of its controlled entities or do any things that will cause or incur substantial loss or reduction of net asset value of its controlled entities.

Apart from the above, the Relevant Shareholders and the Consolidated Affiliated Entities shall irrevocably authorise and agree WFOE and its accountants, legal counsels and authorised agents to enter its place of business at reasonable time, and to allow them to inspect and examine the book of accounts, financial statements, records and any other documents in relation to the Pledged Equity Interests or the exercise or implementation of the rights of WFOE as contemplated under the Equity Pledge Agreement.

The aforementioned rights of WFOE are legally binding and enforceable. Zhuhai Hengqin Chenghe Investment and Zhuhai Hengqin Yingming Investment are legally established limited partnerships with full capacity for civil conduct and civil rights under PRC laws, therefore both of them are eligible to sign the Contractual Arrangements, and can bear corresponding legal liabilities according to the Contractual Arrangements.

The pledge in respect of the Consolidated Affiliated Entities takes effect upon the completion of registration with the relevant administration for industry and commerce and shall remain valid until all the contractual obligations of the Relevant Shareholders and the Consolidated Affiliated Entities under the Equity Pledge Agreement have been fully performed and all the outstanding debts of the Relevant Shareholders and the Consolidated Affiliated Entities under the relevant Management Services Agreement have been fully paid.

If the Consolidated Affiliated Entities fails to perform its obligations under the Management Services Agreement, or if the Relevant Shareholders or the Consolidated Affiliated Entities violates any of the obligations under the Equity Pledge Agreement, WFOE shall have the right to exercise all its rights as a secured party under any applicable PRC law and the Equity Pledge Agreement, including but not limited to, recovering all payments (including but not limited to dividends) payable under or payable in relation to the Equity Pledge Agreement.

As of the date of this annual report, the pledges by the Relevant Shareholders have been registered with the relevant PRC authorities as required under the relevant PRC laws and regulations.

(d) Intellectual Property Transfer and Licence Agreement

Pursuant to the intellectual property transfer and licence agreement entered into among WFOE, the Consolidated Affiliated Entities and the Relevant Shareholders (the "**Intellectual Property Transfer and Licence Agreement**"), the Consolidated Affiliated Entities agreed to irrevocably grant to WFOE the right to purchase, and the exclusive licence to use, the intellectual property rights held by the Consolidated Affiliated Entities at nil consideration, and agreed that WFOE shall have the right to assign the right to purchase and the exclusive licence to a third party without the consent of the Consolidated Affiliated Entities or the Relevant Shareholders.

Pursuant to the Intellectual Property Transfer and Licence Agreement, unless required by PRC law, the Consolidated Affiliated Entities shall enter into an intellectual property transfer agreement (the "**Intellectual Property Transfer Agreement**") and an exclusive licence for intellectual property use agreement (the "**Exclusive Licence for Intellectual Property Use Agreement**") within 15 working days after the signing of the Intellectual Property Transfer and Licence Agreement, and submit an application for registration of the intellectual property transfer and the licence for use of intellectual property with the relevant patent or trademark office. The Exclusive Licence for Intellectual Property Use Agreement shall remain effective until the completion of the registration of the intellectual property transfer.

Pursuant to the Intellectual Property Transfer and Licence Agreement, with regards to the intellectual property rights that are subject to mandatory transfer restrictions under PRC laws, the Consolidated Affiliated Entities shall enter into the Exclusive Licence for Intellectual Property Use Agreement within 15 working days after the signing of the Intellectual Property Transfer and Licence Agreement, and submit an application for registration of the licence for use of intellectual property with the relevant patent or trademark office. The Exclusive Licence for Intellectual Property Use Agreement shall be for a term of 10 years and the Consolidated Affiliated Entities shall renew the agreement upon its expiry. Once the mandatory transfer restrictions under PRC laws have been lifted, Consolidated Affiliated Entities shall irrevocably transfer the intellectual property rights to WFOE.

(e) Voting Rights Proxy Agreements and Powers of Attorney

Pursuant to the Voting Rights Proxy Agreement and Powers of Attorney entered into among the Relevant Shareholders, WFOE and the Relevant Shareholders, through the voting rights proxy agreement ("**Voting Rights Proxy Agreement**") and powers of attorney (the "**Powers of Attorney**"), agreed to irrevocably appoint WFOE and its successors (including but not limited to Directors and their successors and liquidators replacing the Directors but excluding those non-independent or who may give rise to conflict of interests) to act as their exclusive agent to exercise the rights of the shareholders of the Consolidated Affiliated Entities without giving notice to the Relevant Shareholders or consent of the Relevant Shareholders, and the Relevant Shareholders shall undertake to bear all the liabilities of the exercise of such rights by WFOE or its direct or indirect shareholders, including without limitation:

(i) the right to propose, convene and attend shareholders' meetings of the Consolidated Affiliated Entities;

(ii) to sell or transfer or pledge or dispose of all or part of the Relevant Shareholders' equity interest in the Consolidated Affiliated Entities, to dispose of the Consolidated Affiliated Entities' asset rights;

(iii) the right to exercise shareholders' voting rights in shareholders' meetings;

(iv) to act as, nominate and appoint the authorised representative, director, supervisor, general manager and other senior management of the Consolidated Affiliated Entities;

(v) the right to sign any transfer documents, minutes or other documents for the Consolidated Affiliated Entities to effect the relevant agreements, materials or all other documents;

(vi) to file documents with the relevant companies registry;

(vii) the right to process any matters that shareholders are obligated to handle in accordance with relevant laws and/or agreements but failed to do so;

(viii) to exercise all rights and powers of the pledged shares under the Equity Pledge Agreement;

(ix) to sign all the necessary documents and handle all necessary matters so that WFOE and its successors may fully exercise all or any of the powers as stipulated in the laws of the PRC such as the Company Law, the Articles of Association and/or other agreements (including but not limited to the right to dispose of the Consolidated Affiliated Entities' remaining property after liquidation of the Consolidated Affiliated Entities in accordance with the law); and

(x) to rectify and confirm by WFOE any matters that any Relevant Shareholders have implemented or intend to implement according to the Powers of Attorney, except as a result of gross negligence or wilful misconduct.

The Powers of Attorney also provided that, in order to avoid potential conflicts of interest, where the Relevant Shareholders are officers or directors of the Consolidated Affiliated Entities or the Company, the powers of attorney will be granted in favor of other unrelated officers or directors of the Consolidated Affiliated Entities or the Company.

The Voting Rights Proxy Agreement shall remain effective for a term of 10 years unless extended by WFOE in accordance with the Voting Rights Proxy Agreement. The Powers of Attorney shall remain effective for so long until the Management Services Agreement, Irrevocable Option Agreement, Equity Pledge Agreement and, Intellectual Property Transfer and Licence Agreement and Voting Rights Proxy Agreement have been rescinded or terminated.

Save for the Contractual Arrangements disclosed above, during FY2024, (i) there were no new contractual arrangements entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities, (ii) there were no material changes in the Contractual Arrangements or the circumstances under which they were adopted, and (iii) none of the structured contracts under the Contractual Arrangements mentioned above has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements have been removed.

Set out below are certain key consolidated financial information of the Consolidated Affiliated Entities and its subsidiaries as prepared in accordance with the PRC accounting standards for FY2024:

	For FY2024 **RMB'000**
Revenue	**153,568**
Loss for the year	**(25,469)**
Total Assets	**244,521**

Risks relating to the Contractual Arrangements

Risks associated with Contractual Arrangements	**Mitigation actions taken by the Group**
Current PRC laws and regulations impose certain restrictions and prohibitions on foreign ownership of companies that engage in mobile game operating, Internet and other related businesses, such as the provision of Internet information. If the PRC government finds that the agreements that establish the structure for operating our mobile game businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in our Consolidated Affiliated Entities.	Our Directors have been closely monitoring the latest development of the existing or future applicable PRC laws or regulations (such as Draft Foreign Investment Law), and will take measures to ensure that the Company, including the Consolidated Affiliated Entities, are under the control of PRC investors so as to comply with relevant rules and regulations in the PRC.
We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are important to the operation of our business if the Consolidated Affiliated Entities declare bankruptcy or becomes subject to a dissolution or liquidation proceeding.	Pursuant to the relevant irrevocable option agreement under the Contractual Arrangements, the Consolidated Affiliated Entities may not be dissolved or liquidated without WFOE's written consent unless required by PRC law.

Risks associated with Contractual Arrangements	Mitigation actions taken by the Group
Our Contractual Arrangements may not be as effective in providing operational control as direct ownership and our Consolidated Affiliated Entities may fail to perform their obligations under our Contractual Arrangements.	According to the relevant powers of attorney, share pledge agreements and exclusive business cooperation agreements under the Contractual Arrangements , the arbitration tribunal may decide (i) compensation for the equity interests or property ownership of the PRC Operating Entities or their shareholders, or (ii) enforceable remedy or to demand bankruptcy of the Consolidated Affiliated Entities or their shareholders for relevant business or enforceable asset transfer. Any party is entitled to request a competent court to execute the arbitration award when it comes into effect.
We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are critical to the operation of our business if any of our Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.	The Contractual Arrangements contain terms that specifically obligate the Relevant Shareholders to ensure the valid existence of our Consolidated Affiliated Entities and that the Consolidated Affiliated Entities may not be dissolved or liquidated without WFOE's written consent unless required by PRC law.
Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that we owe additional taxes could substantially reduce our combined net income and the value of our shareholder investment.	The Contractual Arrangements will not be challenged by the PRC tax authorities or other government authorities unless the PRC tax authorities determine that such transactions are not conducted on an arm's length basis, provided that WFOE and the Consolidated Affiliated Entities implement the Contractual Arrangements in accordance with the terms of the structured contracts.
We will be subject to higher income tax rates and incur additional taxes as a result of the Contractual Arrangements, which may increase our tax expenses and decrease our net profit margin.	WFOE will gradually build up a track record of business operations for the purpose of applying qualifications in order to enjoy the preferential tax treatment.
Changes in the PRC preferential tax policies could lead to an increase in our tax liabilities.	Pursuant to the PRC Enterprise Income Tax Law, certain subsidiaries of the Group were qualified as "high and new technology enterprise" and were entitled to preferential income tax rates during preferential periods and certain subsidiaries of the Group applied the Small-Scaled Minimal Profit Enterprise Income Tax Preferential Policy announced by the PRC's State Administration of Taxation as disclosed in note 10 to the Financial Statements. These subsidiaries of the Group will use reasonable endeavours to take all necessary actions to maintain their qualification status in order to continue to enjoy the preferential tax treatment.

Risks associated with Contractual Arrangements	Mitigation actions taken by the Group
Relevant Shareholders may potentially have a conflict of interest with us, and they may breach their contracts with us or cause such contracts to be amended in a manner contrary to our interests.	The Relevant Shareholders have undertaken to the Consolidated Affiliated Entities and WFOE, respectively, that during the period when the Contractual Arrangements remain effective, (i) unless otherwise agreed by the Consolidated Affiliated Entities or WFOE in writing, the relevant shareholder would not, directly or indirectly (either on his own account or through any natural person or legal entity) participate, be interested in, engage in, acquire or hold (in each case whether as a shareholder, partner, agent, employee or otherwise) any business which is or may potentially be in competition with the businesses of the PRC Operational Entities or any of its affiliates and (ii) any of his actions or omissions would not lead to any conflict of interest between him and the Consolidated Affiliated Entities and WFOE (including but not limited to its shareholders). Furthermore, in the event of the occurrence of a conflict of interest where the Consolidated Affiliated Entities or WFOE has the sole absolute discretion to determine whether such conflict arises, he agrees to take any appropriate actions as instructed by the Consolidated Affiliated Entities or WFOE.
We conduct our business operation in the PRC through our Consolidated Affiliated Entities by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws.	According to the Contractual Arrangements, the arbitration tribunal may decide compensation for the equity interests or property ownership of Chinese business entities or their shareholders, decide enforceable remedy or demand a bankruptcy on Chinese business entities or their shareholders for relevant business or enforceable asset transfer. Any party is entitled to request the competent court to execute the arbitration award when it comes into effect.
Uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.	Our Directors have been closely monitoring the latest development of the existing or future applicable PRC laws or regulations (such as Draft Foreign Investment Law), and will take measures to ensure that the Company, including the Consolidated Affiliated Entities, are under the control of PRC investors so as to comply with relevant rules and regulations in the PRC.

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

Compliance with the Contractual Arrangements

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

1. Major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

2. Our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

3. Our Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports and interim reports to update the Shareholders and potential investors; and

4. Our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the Stock Exchange

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions for our Company pursuant to Chapter 14A of the Listing Rules. As such, we have applied to the Stock Exchange, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (i) the announcement, circular and independent shareholders' approval in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) setting annual caps for the transactions contemplated under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, subject to the following conditions:

(1) No changes without Independent Non-executive Directors' approval;

(2) No changes without independent Shareholders' approval;

(3) The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through: (1) our Group's option (if and when so allowed under the applicable PRC laws) to acquire, all or part of the entire equity interests in the Consolidated Affiliated Entities for nominal consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations; (2) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to WFOE under the Management Services Agreement; and (3) our Group's right to control the management and operation of, as well as, in substance, all of the voting rights of the Consolidated Affiliated Entities;

(4) The Contractual Arrangements framework may be renewed and/or adopted upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company engaging in the same business which our Group might wish to establish, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executives or substantial shareholders of these entities will, upon renewal and/or adoption of the Contractual Arrangements, be treated as the connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals; and

(5) We will disclose details relating to the Contractual Arrangements on an ongoing basis.

Annual Review by our Independent Non-Executive Directors and Auditor

Our Independent Non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

(a) The transactions carried out during FY2024 had been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(b) No dividends or other distributions had been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

(c) Other than the Contractual Arrangements, no new contracts had been entered into, renewed and/or reproduced between our Group and the Consolidated Affiliated Entities during FY2024; and

(d) The Contractual Arrangements had been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable so far as our Group is concerned, and in the interest of our Company and its Shareholders as a whole.

Our Auditor has confirmed in a letter to our Board that the transactions under the Contractual Arrangements have been approved by our Board, the transactions carried out during FY2024 had been entered into in accordance with the relevant provisions of the Contractual Arrangements, and that no dividends or other distributions had been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Connected Transactions, Related Party Transactions and Continuing Connected Transactions" and "Contractual Arrangements", and elsewhere in this annual report, no Director or his connected entities had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its parent company, or any of its subsidiaries or fellow subsidiaries was a party during FY2024 and up to the date of this annual report.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during FY2024.

SHARE OPTION SCHEME

The following is the summary of the principal terms of the share option scheme (the "**Share Option Scheme**") effective from 21 February 2020.

1. *Purpose:*

   The purpose of the Share Option Scheme enables our Company to grant options to the Eligible Persons (as defined below) as incentives or rewards for their contributions to our Company.

2. *Participants:*

   The Board may, as its discretion, offer to the following persons (the "**Eligible Persons**") to take up options.

   (i) any full-time or part-time employees, executives or officers of the Company, any of the subsidiaries or any of the Consolidated Affiliated Entities;

   (ii) any Directors (including non-executive Director and independent non-executive Directors) of our Company, any of our subsidiaries or any of our Consolidated Affiliated Entities;

   (iii) any advisors, consultants, suppliers, customers and agents to our Company, any of our subsidiaries or any of our Consolidated Affiliated Entities; and

   (iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.

3. *Maximum number of Shares:*

   The maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not aggregate exceed 10% of the total number of Shares in issue on the Listing Date (i.e. a total of 54,600,000 Shares (the "**Scheme Limited**") representing 10% of the issued share capital of the Company as at the date of this annual report). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

   (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or

   (ii) grant options beyond the Scheme Limit to Eligible Persons specifically identified by the Board.

   Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time (the "**Maximum Limit**"). No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial advisor shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, consolidation, or sub-division of shares or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

4. *Maximum entitlement of each Eligible Person:*

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting.

5. *Grant of options to connected persons:*

Any grant options to a substantial shareholder or any independent non-executive Director or their respective associates which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the Shares in issue; and

(ii) having an aggregate value in excess of HK$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange at the date of each grant, such further grant of options shall be approved by our Shareholders in general meeting. The proposed grantee, his associates and all our core connected persons shall abstain from voting in favour at such general meeting.

6. *Time of exercise of option and duration of the Share Option Scheme:*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by our Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the Listing Date. Subject to earlier termination by our Company in general meeting or by our Board, the Share Option Scheme shall be valid and effective for a period of ten years from the Listing Date.

7. *Price for Shares:*

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant; and

(iii) the nominal value of a Share.

Period of the Share Option Scheme

The Share Option Scheme is effective for a period of 10 years from 21 February 2020 and the remaining life of the Scheme as of the date of this annual report is around 5 years.

Option Granted

No share options were granted, exercised, cancelled or lapsed under the Share Option Scheme during the period from the Listing Date to the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

Revenue of gaming products supply of approximately RMB27,974,000 (2023: RMB45,612,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out as below:

	Segment	2024 RMB'000	2023 RMB'000
Customer A	Mobile games development and operation	**48,659**	70,285
Customer B	Advertisement distribution services	**43,514**	–
Customer C	Advertisement distribution services	**38,821**	–

During FY2024, the percentage of the aggregate sales attributable to the Group's largest customer and five largest customers accounted for approximately 19% and 68% of the Group's revenue, respectively.

During FY2024, the percentage of the aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for approximately 20% and 59% of the Group's cost of sales, respectively.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (which to the best knowledge of the Directors owned more than 5% of the Company's issued share capital) had a material interest in the Group's five largest game licensors, publishing partners and suppliers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company will publish the "Environmental, Social and Governance Report" under the requirement of Appendix C2 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and complied with all the applicable code provisions as set out in the CG Code throughout FY2024, except for code provision C.2.1 of the CG Code which provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual, details of which are set out on page 58 under the section headed "Chairman and Chief Executive Officer" in the Corporate Governance Report.

The Board will continuously review, monitor and adjust its business strategies and keep track of the changing market development and conditions and ensuring the prompt and proactive measures will be taken to respond to the changes and meet the market needs to facilitate the sustainability of the Group.

PERMITTED INDEMNITY PROVISION

The Articles provide that every Director shall be indemnified out of the assets and profits of the Company against all liability and loss suffered by him as such Director in any action, suit or proceeding, whether civil or criminal, administrative or investigative, in which judgment is given in his favour, or in which he is acquitted.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the directors of any company of the Group.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Schemes as disclosed in this annual report, no equity-linked agreement was entered into during FY2024 or subsisted at the end of the year of 2024.

AUDITORS

The consolidated financial statements for FY2024 have been audited by Ernst & Young, certified public accountants.

A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board
Infinities Technology International (Cayman) Holding Limited
LI Qiang
Chairman

Hong Kong, 28 March 2025

Management Discussion and Analysis

REVIEW OF OPERATION

Business Review

With breakthroughs in artificial intelligence (AI) technology, the application of AI technology in various industries has begun to flourish. At the beginning of 2024, China once again proposed to accelerate the development of new quality productive forces and steadily promote high-quality development. Predictably, the digital entertainment service industry will also further develop towards informatisation, digitisation, and intelligence in the future. The Company keeps up with the times, further solidifying its strategic goal of using AI technology as the core to create a diversified digital entertainment service platform for global users. The Company has accumulated substantial resources and technical advantages in mobile games, digital media, gaming products supply and other businesses. In the future, we will gradually integrate various businesses with AI technology, make product iteration and upgrades, further enhance user viscosity of products, and achieve the goal of reducing costs and increasing efficiency. Through continuous optimisation of the existing business structure, the Company is able to forge ahead steadily. Meanwhile, in 2024, the Company newly expanded into AI application development and related services, providing partners with more excellent AI products and services, while accumulating more AI technology advantages for the Company.

The Company's revenue decreased by RMB5.4 million, or 2.0%, from approximately RMB263.9 million for the year ended 31 December 2023 ("**FY2023**") to approximately RMB258.5 million for the year ended 31 December 2024 ("**FY2024**"). The decrease was mainly due to the decrease in revenue from the mobile game business of approximately RMB70.5 million, the increase in revenue from the digital media business by approximately RMB88.8 million, and the decrease in revenue from the game products supply business by approximately RMB23.7 million. Gross profit decreased by approximately RMB5.5 million, or 14.4%, from approximately RMB38.2 million in 2023 to approximately RMB32.7 million in 2024. The decrease was mainly due to the decrease in gross profit contribution from the mobile game business during the current period.

The loss for the year in FY2024 was approximately RMB50.9 million, while the loss for the year in FY2023 was approximately RMB53.8 million. The narrowing of losses was mainly due to (i) an increase in other income and gains, net, of approximately RMB10.9 million; (ii) a decrease in research and development expenses of approximately RMB7.9 million; (iii) a decrease in other expenses of approximately RMB3.1 million; and (iv) a decrease in income tax expenses of approximately RMB2.0 million was partially offset by (i) a decrease in gross profit of approximately RMB5.5 million; (ii) an increase in administrative expenses of approximately RMB8.7 million; and (iii) an increase in impairment of trade receivables of approximately RMB6.1 million.

OUTLOOK

The boom of AI technology development has brought a new round of evolution and opportunities to various industries. The digital entertainment service industry aligns with AI technology, quickly becoming the frontier of technological innovation. It has not only rapidly developed in terms of technological integration, but also demonstrated astonishing speed and efficiency in practical application. The integration of AI technology has enriched and enhanced the form of performance and user experience of digital entertainment services, and will also provide new energy for the innovation and development of the overall digital entertainment service industry.

At the same time, the global players' demand for high-quality and diversified gaming products continues to grow. Domestic games like the Black Myth: Wukong continue to gain influence globally, and gradually demonstrate their competitiveness internationally. In the future, the domestic and overseas gaming markets will experience stronger development.

The Company will focus on the future, seize the industry opportunities brought by the boom of AI technology, and continue to increase investment in mobile games development, digital media development, AI technology development and overseas market expansion. We will further explore the integration of AI technology with our businesses, continuously uncover new application scenarios of products, integrate resources to make innovation, create more product portfolios, and further expand the accumulation and expansion of advertising distribution service experience to provide customers with more high-quality advertising integrated marketing solutions, providing customers with more efficient advertising and promotion services for their products.

PROSPECTS

In 2025, the Company will continue to focus on AI technology, increase efforts in technology development, promote the application of products, further improve the digital entertainment service ecosystem empowered by AI technology, and achieve the integrated development of mobile games and digital media businesses with AI technology. We will also enhance user experience and user viscosity through technological innovation and product iteration.

Meanwhile, the Company will strengthen the development of mobile games and actively expand into overseas markets. By collaborating with well-known intellectual property companies and renowned gaming companies, the Company will create high-quality games and continuously enhance its reputation and influence in the international market. The Company will deepen the business structure of digital media, enhance its capability for digital media distribution services, and provide higher-quality advertisement services to partners, to gain mutual benefits.

Looking forward, the Company will continue to adhere to the principles of allocating resources in a flexible and timely manner. While ensuring the steady development of existing businesses, the Company will closely monitor market demands, continuously advance its diversified business development strategies empowered by AI technology, improve the efficiency of digital entertainment service platforms, provide users with higher-quality products and services, and lay a more solid foundation for the Company's long-term development.

FINANCIAL REVIEW

Mobile Games

The mobile games consist of development and operation of mobile games and information services where the Group cooperated with corporate customers to integrate media content in some of the mobile games the Group operate.

The following table sets forth certain operating statistics relating to the mobile games of the Group in the periods indicated:

	Year ended 31 December		
	2024	2023	Change %
Game			
Number of paying players ('000)	**468.4**	1,833.8	-74.5%
Average MPUs ('000)	**39.0**	152.8	-74.5%
Average ARPPU (RMB)	**99.3**	102.7	-3.3%

— MPUs. The average monthly paying users ("**MPUs**") for the gaming business decreased to approximately 39.0 thousand for the year ended 31 December 2024 from approximately 152.8 thousand for the year ended 31 December 2023. The decrease was primarily due to the decline in the Group's gaming business scale resulting from the competitive environment in the gaming business during the year.

— ARPPU. The average revenue per paying user ("**ARPPU**") level of the gaming business decreased to approximately RMB99.3 for the year ended 31 December 2024 from RMB102.7 for the year ended 31 December 2023. The decrease was mainly due to the insufficient promotional effect of the Group's gaming business amidst the competitive environment in the gaming business during the year.

The following table sets forth the Group's consolidated statement of profit or loss for the year ended 31 December 2024 as compared to the year ended 31 December 2023:

	Year ended 31 December		
	2024	2023	Change
	RMB'000	RMB'000	%
Revenue	**258,478**	263,880	-2.0%
Cost of sales	**(225,799)**	(225,683)	0.1%
Gross profit	**32,679**	38,197	-14.4%
Other income and gains, net	**13,168**	2,300	472.5%
Selling and distribution expenses	**(7,921)**	(7,439)	6.5%
Administrative expenses	**(46,294)**	(37,578)	23.2%
Research and development expenses	**(17,967)**	(25,863)	-30.5%
Impairment of trade receivables, net	**(12,432)**	(6,342)	96.0%
Other expenses	**(12,951)**	(16,006)	-19.1%
Finance costs	**(418)**	(312)	34.0%
Share of losses of associates	**(26)**	(36)	-27.8%
Loss before tax	**(52,162)**	(53,079)	-1.7%
Income tax credit/(expense)	**1,276**	(701)	-282.0%
Loss for the year	**(50,886)**	(53,780)	-5.4%

Revenue

Revenue decreased by approximately RMB5.4 million or 2.0% to approximately RMB258.5 million for the year ended 31 December 2024 from approximately RMB263.9 million for the year ended 31 December 2023. The following table sets forth the revenue of the Group by business segment for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2024		2023	
	RMB'000	**% to total revenue**	RMB'000	% to total revenue
Mobile games				
— Development and operation	**75,333**	**29.1%**	144,416	54.7%
— Information services	**124**	**0.1%**	1,583	0.6%
Digital media				
— Content distribution	**737**	**0.3%**	2,210	0.9%
— Advertisement distribution services	**111,547**	**43.2%**	38,579	14.6%
— Subscription fee of AIGC mobile app	**1,563**	**0.6%**	25,416	9.6%
— AI application development and related services	**41,200**	**15.9%**	–	–
Gaming products supply	**27,974**	**10.8%**	51,676	19.6%
Total Revenue from contracts with customers	**258,478**	**100.0%**	263,880	100.0%

— Revenue generated from the Group's mobile games decreased by approximately RMB70.5 million or 48.3% to approximately RMB75.5 million for the year ended 31 December 2024 from approximately RMB146.0 million for the year ended 31 December 2023. Such decrease was primarily due to the keen competition in the gaming business, the insufficient promotional effect of the Group's gaming business and the end of certain game life cycle during the year.

— Revenue generated from the Group's digital media increased by approximately RMB88.8 million or 134.2% to approximately RMB155.0 million for the year ended 31 December 2024 from approximately RMB66.2 million for the year ended 31 December 2023. Such increase was primarily due to the fact that we have adjusted our business structure during the year, by promoting our advertisement distribution services and expanding into AI application development and related services.

— Revenue generated from the Group's gaming products supply business decreased by approximately RMB23.7 million or 45.9% to approximately RMB28.0 million for the year ended 31 December 2024 from approximately RMB51.7 million for the year ended 31 December 2023. Such decrease was primarily due to the decrease in the gaming products demands resulting from the delay in the release of new products for the main selling game products and the relatively saturated market for the existing products.

Cost of sales

Cost of sales increased by approximately RMB0.1 million or 0.1% to approximately RMB225.8 million for the year ended 31 December 2024 from approximately RMB225.7 million for the year ended 31 December 2023. The increase was mainly due to the increase in costs of sales as a result of the strong promotion of our advertisement distribution services and the newly established AI application development and related services during the year. For the year ended 31 December 2024, the proportion of cost of sales to total revenue amounted to approximately 87.4% (for the year ended 31 December 2023: approximately 85.5%).

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB0.5 million or 6.5% to approximately RMB7.9 million for the year ended 31 December 2024 from approximately RMB7.4 million for the year ended 31 December 2023. The increase was mainly due to the increase in employee benefit expense during the year.

Administrative expenses

Administrative expenses increased by approximately RMB8.7 million or 23.2% to approximately RMB46.3 million for the year ended 31 December 2024 from approximately RMB37.6 million for the year ended 31 December 2023. Such increase was principally due to the increase in expenses such as the employee benefit expense, intangible asset amortisation and professional fees during the year.

Research and development expenses

Research and development expenses decreased by approximately RMB7.9 million or 30.5% to approximately RMB18.0 million for the year ended 31 December 2024 from approximately RMB25.9 million for the year ended 31 December 2023. Such decrease was principally due to the decrease in staff cost during the year.

Other income and gains, net

Other income and gains, net increased to approximately RMB13.2 million for the year ended 31 December 2024 from approximately RMB2.3 million for the year ended 31 December 2023. Such increase was mainly due to the increase in the Group's gain on disposal of subsidiaries, gain on sale of a game, and commission income on the provision of advertisement traffic.

Impairment of trade receivables

Impairment of trade receivables was approximately RMB12.4 million for the year ended 31 December 2024, as compared to approximately RMB6.3 million for the year ended 31 December 2023. Such increase was mainly due to the increase in impairment provision due to impairment risk considerations as there was a decline in the ability of cash collection in our business during the year.

Other expenses

Other expenses for the year ended 31 December 2024 was approximately RMB12.9 million, as compared to approximately RMB16.0 million for the year ended 31 December 2023. The decrease was mainly due to the decrease in the impairment provision of the Group's investments in associates.

Finance costs

Finance costs for the year ended 31 December 2024 was approximately RMB418,000 (for the year ended 31 December 2023: approximately RMB312,000). Such increase was mainly due to the increase in interest on loans from fellow subsidiaries and bank borrowings.

Income tax

The Group recognised income tax credit of approximately RMB1.3 million for the year ended 31 December 2024 while the income tax expense was approximately RMB0.7 million for the year ended 31 December 2023. Such decrease was mainly attributable to the decrease in deferred income taxes during the year.

Loss for the year

Based on the foregoing, the loss for the year was approximately RMB50.9 million for the year ended 31 December 2024, as compared to the loss for the year of approximately RMB53.8 million for the year ended 31 December 2023.

LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents	**3,863**	37,211

The Group's total cash and cash equivalents amounted to approximately RMB3.9 million as at 31 December 2024, as compared to approximately RMB37.2 million as at 31 December 2023. Such decrease was mainly due to the decrease in business collection capacity during the year.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of fundings, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in Renminbi ("**RMB**"), followed by Hong Kong dollars ("**HKD**"), US dollars ("**USD**"), and Japanese Yen ("**JPY**").

The Group's bank borrowing balance as at 31 December 2024 was RMB3.0 million (as at 31 December 2023: nil). As at 31 December 2024, the Group's gearing ratio (calculated as bank borrowings and loans from fellow subsidiaries divided by total assets) was 1.1% (as at 31 December 2023: 0.04%). Details of interest-bearing bank borrowings and loans from fellow subsidiaries are disclosed in notes 25 and 26 to the financial statements.

MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENT

On 8 September 2023, the Company entered into a share purchase agreement with Infinities B&M Technology Limited ("**Infinities B&M**"), pursuant to which the Company conditionally agreed to acquire and Infinities B&M conditionally agreed to sell the entire issued share capital of Infinities Wonder Limited ("**Infinities Wonder**") at the consideration of HK$134,820,000. The consideration shall be satisfied by the 96,300,000 shares to be issued and allotted by the Company under specific mandate. On 24 April 2024, the Company completed the acquisition, and held the entire issued share capital of Infinities Wonder, while Infinities Wonder has become a wholly-owned subsidiary of the Company and indirectly owns 60% equity interest in Beijing Wande. Pursuant to the share purchase agreement, the Company has allotted and issued 96,300,000 consideration shares at the issue price of HK$1.4 per consideration share to Infinities B&M under the acquisition. For details, please refer to the announcement of the Company dated 24 April 2024.

Saved as disclosed in the announcement, there were no material acquisition and disposal of subsidiaries, associates and joint ventures, or significant investments held by the Group for the year ended 31 December 2024.

CONTINGENT LIABILITIES

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

HUMAN RESOURCES

As at 31 December 2024, the Group had a total of 115 employees (as at 31 December 2023: 51 employees), who are based in Guangzhou, Beijing, Chengdu and Hong Kong. Total staff costs were approximately RMB26.6 million for the year ended 31 December 2024 (for the year ended 31 December 2023: RMB18.8 million). The Group provides employees with competitive remuneration and various benefits including housing, pension, medical and unemployment benefit plan, and the Group's remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provide customised and continuous on-the-job training to our new employees by experienced mentors from relevant teams or departments.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed, the Group did not have any significant events after 31 December 2024 and up to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Although the Group has successfully established its mobile games, there are certain risks that could adversely affect the Group's operations and financial results due to the immaturity of the mobile game industry in the PRC. The major hurdles include (i) new policies or any amendment to the current policies in relation to the mobile game industry; (ii) reliance on distribution channel providers; (iii) the game portfolio included games that are self-developed or licensed games, so the Group's operations may be adversely affected if the Group cannot seek alternatives in a timely manner; and (iv) the Group may be exposed to payment delays or defaults from settlement agents, which would adversely affect the Group's cash flow or financial results.

Meanwhile, for the Group's established digital media content, the major hurdles include external interruptions such as system disruption, hacking or service suspension on any of the distribution platforms or the publishing platform.

With regard to the Group's newly established business, gaming products supply, as the Group's suppliers include both domestic and overseas suppliers, the main difficulties faced by the Group include (i) the quality of game products purchased from suppliers, as well as losses during transportation; (ii) relying on a single customer; and (iii) fluctuations in foreign exchange rates that may adversely affect the Group's cash flow or financial results.

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to report to the shareholders of the Company (the "**Shareholders**") on the corporate governance of the Company for the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company has committed to delivering and maintaining a higher standard of corporate governance to meet the business needs and expectation from the Shareholders. The Company has adopted principles and complied with all the applicable code provisions in the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules as the basis of the Company's principles and corporate governance practices throughout FY2024, except for code provision C.2.1 of the CG Code which provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Details of which are set out on page 58 under the paragraph headed "Chairman and Chief Executive Officer" of this Corporate Governance Report.

Besides, the Board comprised only male Directors during the year ended 31 December 2024. In order to achieve the board diversity requirement pursuant to Rule 13.92 of the Listing Rules, the Company has appointed one female Director, Ms. WANG Yan as a non-executive Director on 28 March 2025. Following the appointment of Ms. WANG, the Company has achieved the Board gender diversity in accordance with the corporate governance practices and has complied with Rule 13.92 of the Listing Rules as at the date of this annual report. For details, please refer to the announcements made by the Company on 31 December 2024 and 28 March 2025.

Save as disclosed in this Corporate Governance Report, the Directors consider that the Company has complied with all the applicable the code provisions as set out in the CG Code throughout FY2024.

The Board will continuously review, monitor and adjust its business strategies and keep track of the changing market development and conditions and ensuring the prompt and proactive measures will be taken to respond to the changes and meet the market needs to facilitate the sustainability of the Group and to ensure compliance with the CG Code.

A. The Board

1. Roles and Responsibilities of the Board

The Board is responsible for the leadership and control of the Group and is responsible for promoting the success of the Group by directing and supervising its affairs. The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the websites of the Stock Exchange and the Company.

While specific functions are delegated to Board committees, matters which have a critical bearing on the Group are reserved for decision or consideration by the Board, including:

— approval and monitoring of all major policies of the Group;

— overall strategies and budgets;

— internal control and risk management systems;

— notifiable and connected transactions;

— nomination of directors and company secretary; and

— other significant financial and operational matters.

All Directors, including Non-executive Directors and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective operation. Upon reasonable request, all Directors can seek independent professional advice in appropriate circumstances, at the Company's expense.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary of the Company, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the best interests of the Company and its Shareholders at all times.

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsibility for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their roles and the Board responsibilities. The Board includes a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

2. Delegation of Management Function

The day-to-day management, administration and operation of the Group are delegated to the senior management of the Group. The responsibilities delegated by the Board to the senior management include:

— execution of overall strategies adopted by the Board;

— monitoring of budgets adopted by the Board;

— implementation of internal control and risk management systems; and

— preparation of the annual and interim reports and the results announcements for Board approval. The delegated functions are periodically reviewed. Authorisation has to be obtained from the Board prior to any significant transactions entered into by the senior management.

3. *Board Composition*

During the year ended 31 December 2024 and as at the date of this annual report, the Board comprised the following Directors:

Executive Directors	Mr. LI Qiang *(Chairman and Chief Executive Officer) (appointed on 24 April 2024)* Mr. WANG Le Mr. CHEN Ying *(resigned on 24 April 2024)*
Non-executive Directors	Mr. WANG Ning Mr. LIANG Junhua Ms. WANG Yan *(appointed on 28 March 2025)*
Independent Non-executive Directors	Mr. LEUNG Ming Shu Mr. TANG Shun Lam Mr. YAN Chi Kwan *(appointed on 19 February 2024 and resigned on 28 March 2025)*

Biographical of the Directors are set out on pages 73 to 75 of this annual report.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The Independent Non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules. The Company maintains on its website and on the Stock Exchange's website an updated list of all Directors identifying their roles and functions and whether they are Independent Non-executive Directors.

Save as disclosed in this annual report, to the best knowledge of the Company, there are no financial, business, family, or other material relationships among members of the Board.

Compliance with the Listing Rules

During the period from 12 June 2023 to 18 February 2024, the Company does not meet (i) the minimum number of independent non-executive directors required under Rule 3.10(1) of the Listing Rules; and (ii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules. Meanwhile, the remuneration committee of the Company no longer comprise a majority of Independent Non-executive Directors as required under Rule 3.25 of the Listing Rules. To rectify this, the Company appointed Mr. YAN Chi Kwan as an Independent Non-executive Director, a member of each of the Audit Committee and the Remuneration Committee of the Company on 19 February 2024. Following his appointment, the Company has three Independent Non-executive Directors, and the Audit Committee and the Remuneration Committee comprises a majority of Independent Non-executive Directors, and the Company was in compliance with Rules 3.10(1), 3.21 and 3.25 of the Listing Rules during the year ended 31 December 2024.

For details, please refer to the announcements made by the Company on 23 June 2023, 11 October 2023, 24 November 2023 and 19 February 2024.

As at the date of this annual report, Ms. WANG Yan has been appointed as a Non-executive Director. Following her appointment, the Company ceased to have a single gender board and has complied with the requirements under Rule 13.92 of the Listing Rules.

For details, please refer to the announcements made by the Company on 31 December 2024 and 28 March 2025.

Non-compliance under the Listing Rules

As at the date of this annual report, Mr. YAN Chi Kwan resigned as an Independent Non-executive Director. Following his resignation, the number of independent non-executive Director has fallen below the minimum number required under Rule 3.10(1) and Rule 3.10A of the Listing Rules. In order to comply with the relevant provisions of the Listing Rules, the Board will make its best endeavours to appoint qualified candidate(s) to fill the casual vacancies of the Independent Non-executive Director within three months from the date of Mr. Yan's resignation. The Company will make further announcement(s) as and when appropriate.

For details, please refer to the announcement made by the Company on 28 March 2025.

Prior to their respective appointment, each of the Independent Non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received written annual confirmation from each of the Independent Non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence requirements set out in the Listing Rules.

The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner. These include periodic Board reviews, dedicated meeting sections with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The Board will review the implementation and effectiveness of the abovementioned mechanism on an annual basis to ensure that independent views and input are available to the Board.

4. *Appointment and Re-election of Directors*

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors.

For details of the service contracts of the Directors, please refer to the section headed "Report of Directors — Directors' Service Contracts" in this annual report.

In accordance with the Articles, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the first general meeting after appointment.

5. *Induction and Continuing Development for Directors*

Each newly appointed Directors receive formal, comprehensive and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are continually provided with information related to the developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities.

Ms. Wang Yan has been appointed as a non-executive Director since 28 March 2025 and she has obtained from the Company's legal adviser a legal opinion pursuant to Rule 3.09D of the Listing Rules on 27 March 2025 confirming that she is aware of her responsibility as a Director.

The records of training as received by each current Director for FY2024 are summarised as follows:

Name of Directors	Attended Seminars or Briefing/ Read Materials
Executive Directors	
Mr. LI Qiang	✓
Mr. WANG Le	✓
Mr. CHEN Ying (resigned on 24 April 2024)	✓
Non-Executive Directors	
Mr. WANG Ning	✓
Mr. LIANG Junhua	✓
Independent Non-Executive Directors	
Mr. LEUNG Ming Shu	✓
Mr. TANG Shun Lam	✓
Mr. YAN Chi Kwan (appointed on 19 February 2024 and resigned on 28 March 2025)	✓

✓: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

Mr. YAN Chi Kwan was appointed as Independent Non-Executive Director of the Company during the year ended 31 December 2024. He obtained legal advice referred to the Rule 3.09D of the Listing Rules from a firm of solicitors qualified to advice on Hong Kong law on the dates set out below. Mr. YAN confirmed his understanding of his obligations as director of the Company.

6. *Directors liability insurance*

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. As at 31 December 2024, the Company was not involved in any material litigation liable by any Director. Each Director has the necessary qualification and experience required for performing his duty. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any material event for which any Director shall take significant responsibility. Notwithstanding the above, the Company has arranged for appropriate directors' and officers' liability insurance in respect of legal action against the Directors.

7. *Board Meetings, Board Committee Meetings, General Meetings and Attendance Records*

Number of Meetings and Directors' Attendance

Code provision C.5.1 of the CG Code prescribes that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through electronic means of communication.

Code provision C.2.7 of the CG Code has been revised to require that the chairman should at least annually hold meetings with independent non-executive Directors without the presence of other directors.

A summary of the attendance record of each Director at the Board meetings, Board Committee meetings and general meetings of the Company held during the year ended 31 December 2024 is set out in the table below:

	Number of Meetings and Directors' Attendance					
Name of Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	*(Note 1)* **Annual General Meeting**	**Meeting between Chairman and Independent Non-executive Directors**
Executive Directors						
Mr. WANG Le	7/7	–	–	3/3	1/1	1/1
Mr. CHEN Ying *(Note 2)*	4/7	–	–	–	–	–
Mr. LI Qiang *(Note 3)*	3/7	–	–	–	1/1	–
Non-Executive Directors						
Mr. WANG Ning	7/7	–	3/3	–	1/1	–
Mr. LIANG Junhua	7/7	2/2	–	–	1/1	–
Independent Non-Executive Directors						
Mr. LEUNG Ming Shu	7/7	2/2	–	3/3	1/1	1/1
Mr. TANG Shun Lam	7/7	–	3/3	3/3	1/1	1/1
Mr. YAN Chi Kwan *(Note 4)*	5/7	2/2	2/3	–	1/1	1/1

Notes:

(1) Annual General Meeting held on 28 June 2024.

(2) Mr. CHEN Ying resigned on 24 April 2024.

(3) Mr. LI Qiang appointed on 24 April 2024.

(4) Mr. YAN Chi Kwan appointed on 19 February 2024.

Practices and Conduct of Meetings

The annual meeting schedule and draft agendas of each meeting are made available to Directors in advance. Arrangements are also in place to ensure Directors are given an opportunity to include matters in the agenda.

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

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

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

The company secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings, which record sufficient details of the matters considered by the Directors and decisions made, including any proposal raised by the Directors or dissenting views expressed. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

The Articles contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

Corporate Governance Function

The Board confirms that corporate governance is a collective responsibility of Directors and their corporate governance duties include:

(a) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;

(c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors;

(d) to develop and review the Company's policies and practices on corporate governance and make recommendations and report relevant matters to the Board;

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and

(f) to review and monitor the Company's compliance with its whistleblowing policy.

During the year ended 31 December 2024, the Board has performed and carried out the abovementioned corporate governance function.

B. Chairman and Chief Executive Officer

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

Mr. Li Qiang is currently both the Chairman and the Chief Executive Officer of the Company.

The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership and the ability to make and implement the overall strategy of the Group effectively. The Group considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises eight other experienced and high-calibre individuals who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Board will make consultations with appropriate Board committees and senior management. Despite the deviation from Code Provision C.2.1 of the CG Code for Mr. Li Qiang, the Chairman to concurrently serve as the Chief Executive Officer, the Board believes that Mr. Li Qiang, being the Chairman of the Board, is familiar with the Company's business operation and provides solid and continuous leadership to the Group with his extensive experience and knowledge to improving the efficiency of the Company's overall strategic planning. The Board believes that such management structure layout will be more beneficial to the future development of the Company and will improve the Company's operating conditions. Under the supervision of the Board, it is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the shareholders as a whole.

The Board is therefore of the view that there are adequate balance of power and safeguards in place. Nevertheless, the Board will continue to monitor and review the Company's current structure and to make necessary changes at an appropriate time.

C. Board Committees

The Board has established three Board committees, namely, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the Group's affairs. Each of these committees has been provided sufficient resources to perform its duties. Each of these committees has access to independent professional advice at Company's expense to perform its responsibilities, if necessary. All of these three Board committees of the Company are established with defined written terms of reference.

The majority of the members of the Remuneration Committee, the Audit Committee and the Nomination Committee are Independent Non-executive Directors.

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

1. Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rules 3.25 and 3.26 of the Listing Rules and paragraph E.1 of the CG Code. As at the date of this annual report, the Remuneration Committee comprised three members, of whom two Independent Non-executive Directors and one Non-executive Director:

Mr. TANG Shun Lam *(Chairman of Remuneration Committee)*
Mr. WANG Ning
Mr. LEUNG Ming Shu *(appointed on 28 March 2025)*

The primary roles and functions of the Remuneration Committee include, but not limited to: (i) making recommendations to the Directors on the remuneration policy of the Group and structure of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) reviewing and approving the senior management's remuneration proposals with reference to the Board's corporate goals and objectives and ensuring that it is consistent with contractual terms and are reasonable and appropriate; (iii) determining the terms of the remuneration package of the Directors and senior management with reference to their time commitment and responsibilities, employment condition in the Group, and comparable companies; and (iv) and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During FY2024, three Remuneration Committee meetings were held. In the meeting, the Remuneration Committee considered and recommended to the Board the remuneration package of the individual Executive Directors and senior management as well as the remuneration of the Non-executive Directors (including Independent Non-executive Directors) and fulfilled duties as aforesaid required.

Please see the attendance at this meeting in the part headed "Board Meetings, Board Committee Meetings, General Meetings and Attendance Records" in this report.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of Executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each Executive Director. The remuneration for the Executive Directors comprises basic salary, pensions and performance bonus. Executive Directors shall receive options to be granted under the Company's share option scheme. The remuneration policy for Non-Executive Directors and Independent Non-executive Directors is to ensure that Non-Executive Directors and Independent Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the Non-Executive Directors and Independent Non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Non-Executive Directors and Independent Non-executive Directors shall not receive options to be granted under the Company's share option scheme. Individual Directors and senior management have not been involved in deciding their own remuneration.

2. Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and paragraph D.3 of the CG Code. As at the date of this annual report, the Audit Committee comprised three members, of whom two Independent Non-executive Directors and one Non-executive Director:

Mr. LEUNG Ming Shu *(Chairman of Audit Committee)*
Mr. LIANG Junhua
Mr. TANG Shun Lam *(appointed on 28 March 2025)*

The chairman of the Audit Committee, Mr. LEUNG Ming Shu, holds the appropriate professional qualifications as required under Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code.

The primary roles and functions of the Audit Committee include, but not limited to: (i) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (ii) monitoring the integrity of our financial statements, our accounts, our annual report and our interim report, and reviewing significant financial reporting judgments contained therein; and (iii) reviewing our financial control, internal control, internal audit function and risk management systems.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to risk management and internal control systems and financial reporting function with the management. The Audit Committee considers that the annual financial results for FY2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

During FY2024, two Audit Committee meetings were held. In the meetings, the Audit Committee reviewed the audit plan, reviewed the interim and annual financial results and reports as well as the audit reports prepared by the external auditor relating to accounting issues and major findings in course of audit, reviewed major internal audit issues, compliance procedures, internal control and risk management systems and processes, recommended re-appointment of external auditors and relevant scope of works and continuing connected transactions, ensured the Company's corporate governance function and fulfilled duties as aforesaid required. From the perspective of the Company's corporate governance, the Audit Committee also reviewed the compliance of the Model Code and Employees Written Guidelines and the Company's compliance with the Listing Rules and disclosure in this Corporate Governance Report.

Please see the attendance at this meeting in the part headed "Board Meetings, Board Committee Meetings, General Meetings and Attendance Records" in this report.

The Audit Committee also met the external auditor twice without the presence of the Executive Directors.

The Group's annual results for FY2024 and this Corporate Governance Report have been reviewed by the Audit Committee.

3. Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the CG Code. As at the date of this annual report, the Nomination Committee comprised three members, of whom two were Independent Non-executive Directors and one was Executive Director:

Mr. LI Qiang *(Chairman of Nomination Committee) (appointed on 24 April 2024)*
Mr. LEUNG Ming Shu
Mr. TANG Shun Lam

The duties of our Nomination Committee include, but not limited to, (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (ii) identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (iii) assessing the independence of our Independent Non-executive Directors; and (iv) making recommendations to our Board on the appointment or re-appointment of our Directors and succession planning for our Directors, in particular the Chairman and the Chief Executive Officer.

During FY2024, three Nomination Committee meetings were held. In the meeting, the Nomination Committee reviewed the structure, size, composition and diversity of the Board, reviewed the board diversity policy and director nomination policy, as well as assessed the independence of Independent Non-executive Directors, made recommendation to the Board on the re-election of the retiring Directors and fulfilled duties as aforesaid required.

Please see the attendance at this meeting in the part headed "Board Meetings, Board Committee Meetings, General Meetings and Attendance Records" in this report.

Where vacancies on the Board arise, the Nomination Committee will carry out the selection process in accordance with the Company's policy for the nomination of Directors (the "**Nomination Policy**") and the Board diversity policy of the Company (the "**Board Diversity Policy**") by making reference to a range of diverse perspectives.

Summary of the Board Diversity Policy

The Board Diversity Policy was adopted by the Company pursuant to Board resolutions. The Board Diversity Policy aims to set out the approach to diversity on the Board of the Company. The Board Diversity Policy applies to the Board but not to diversity in relation to the employees of the Company, nor the board or the employees of any subsidiary of the Company. During FY2024, the Board and the Nomination Committee has reviewed the implementation of the Diversity Policy and its continued effectiveness. In reviewing and assessing the Board composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, industry and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at 31 December 2024, the male to female ratio across all level of the Group is approximately 70:30. The Group targets to maintain the current gender ratio and will continue to review and monitor the gender ratio and make the relevant adjustment if necessary to reflect further business development. Details of gender equality of workforce and inclusive policies and data are set out in section headed "B.1. Employment" in the ESG report.

As at the date of this annual report, the Board comprises seven Directors, of whom six are males and one is female. The Company aims to maintain an appropriate balance of diversity of the Board in supporting the attainment of its strategic objectives and sustainable development.

In addition, as at 31 December 2024, the percentage of female members in all employees of the Company was 30%. The Company will continue to take gender diversity into consideration during recruitment, identify and select potential female talents with different skills, experience and knowledge to join the Company.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2024:

	Female	**Male**
Board	0%	100%
	0	7
Senior Management	33%	67%
	1	2
Other employees	31%	69%
	33	72
Overall workforce	30%	70%
	34	81

Up to the date of this annual report, Ms. WANG Yan has been appointed as a non-executive Director of the Company from 28 March 2025 and the Company made achievement for the Board gender diversity in compliance with the corporate governance practices and has complied with Rule 13.92 of the Listing Rules.

In order to achieve and/or maintain gender diversity, the Nomination Committee will try and propose a pipeline of female senior management and potential successors to the Board to achieve gender diversity. A pipeline of female senior management and potential successors can be developed by continuous accessing the existing employees of various departments and providing various trainings to equip them with the requisite management skills from time to time, where appropriate.

The Nomination Policy

The Nomination Policy was adopted by the Company pursuant to Board resolutions. The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval. The Nomination Policy is set out as below:

1. Objective

   This policy sets out the criterias and procedures to be adopted when considering candidates to be appointed or re-elected as directors of the Company.

2. Selection Criteria

   The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

   - Reputation for integrity;
   - Accomplishment and experience in the financial services industry, in particular, in the securities, commodities and futures markets;
   - Commitment in respect of available time and relevant interest;
   - Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
   - Requirement for the Board to have Independent Non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; and
   - These factors are for reference only, and not meant to be exhaustive and decisive.

3. Procedures

   The Nomination procedures and the process for selection and appointment of new Directors and re-election of Director at the general meetings set out in the Director Nomination Policy are as follows:

   (a) The nomination committee shall nominate candidates for the consideration of the Board. The nomination committee may propose candidates who were not nominated by the Board. The Board shall have the final decision on all matters in relation to its nomination of any candidates to stand for election at a general meeting of the Company.

(b) A candidate nominated by the Board to stand for election at a general meeting (the "Board Candidate") will submit the necessary personal information, together with their written consent to be elected as a Director and to the publication of their personal information for the purpose of or in relation to their standing for election as a Director. The nomination committee may request the Board Candidate to provide additional information and documents if they consider necessary.

(c) A circular will be available to Shareholders (the "Shareholder Circular") to provide information of the Board Candidate. The Shareholder Circular will include the personal information of the Board Candidate as required by the applicable laws, rules and regulations, inter alia, their name, brief biography (including qualifications and relevant experience), independence and proposed remuneration.

(d) The Board Candidate shall not assume that they have been nominated by the Board to stand for election at the general meeting prior to the despatch/publication of the Shareholder Circular. Where appropriate, the nomination committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

D. Model Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. The Chairman of the Audit Committee is the person to be notified for securities dealings by Directors and a designated form is used for notification and acknowledgement purpose.

All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standards of dealings and its code of conduct regarding the directors' securities transaction during FY2024 and there was no event of non-compliance.

Senior management of the Company is also required to comply with the guidelines on similar terms as set out in the Model Code.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

E. Directors' Responsibilities for Financial Reporting

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and the Company for FY2024.

The Board is responsible for providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of our Group, overseeing audit process and performing other duties.

The senior management has provided such explanation and information to the Board as are necessary to enable the Board to carry out an informed assessment of the financial information and position of the Group.

F. External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about their reporting responsibilities for the Financial Statements is set out in the "Independent Auditor's Report" from pages 80 to 82 of this annual report.

The external auditor of the Company will be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and the auditor's independence.

For FY2024, the fees to Ernst & Young for audit services and non-audit services were RMB2.2 million and RMB0.2 million, respectively.

G. Risk Management and Internal Control

The Board acknowledges its responsibility in maintaining a sound and effective system of internal control for the Group to safeguard interests of the shareholders and assets of the Company at all times.

The Group's system of internal control which includes a defined management structure with limit of authority is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for external publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in the operational systems and achievement of the Group's objectives.

Under Code Provision D.2.5 of the CG Code, the Group should have an internal audit function. The Group conducted an annual review on the need for setting up an internal department. Given the Group's operating structure it is decided that the Board would directly responsible for risk management and internal control systems of the Group. The Board through the Audit Committee had conducted an annual review on the risk management and internal control systems of the Group. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Appropriate measures have been put in place to management the risks (including ESG risks). No major issues were raised for improvement. The improvement of the systems of risk management and internal control is an ongoing process and the Board maintains a continuing commitment to strengthen the Group's control environment and process.

The Company recognises that the release of inside information to place anyone in a privileged dealing position is strictly prohibited. Prior to the announcement of the inside information, all directors and senior management are requested to take all reasonable steps to maintain strict confidentiality and where it is reasonably likely that confidentiality may have been lost in respect of the inside information, the Company shall as soon as reasonably practicable, apply to the Stock Exchange for a trading suspension of its shares.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organises anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During FY2024, the Company held one anti-corruption training and briefing to all employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

H. Framework for Disclosure of Inside Information

The Group has put in place a robust framework for the disclosure of inside information in compliance with the Securities and Futures Ordinance. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Group. Under the procedures, any employee (especially the Directors, the senior management and unit heads, etc.) who is aware of any potential inside information event shall initiate the reporting procedures as soon as practicable. The Board determines the nature of the events and makes disclosure if required. The framework and its effectiveness are subject to review on a regular basis according to established procedures.

I. Communications with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential to enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make informed investment decisions. The Board will continue to communicate with shareholders and the investment community, and will regularly review this policy to ensure effectiveness and reflect best practices in communicating with Shareholders.

The general meetings of the Company are expected to provide a forum for communication between the Board and the Shareholders. The Chairman of the Board, the chairman of each of the Remuneration Committee, Audit Committee and Nomination Committee, or, in their absence, other members of the respective committees are available to answer questions at the general meetings.

Votes of the shareholders at general meeting will be taken by poll in accordance with the Listing Rules. Detailed procedures for conducting a poll will be explained to shareholders at the beginning of the general meeting to ensure that shareholders are familiar with the voting procedures. Each issue will be proposed by a separate resolution by the Chairman of the general meeting. The poll results will be posted on the websites of the Company and the Stock Exchange on the same day of the general meeting. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

Procedures and right for shareholders to convene EGM

— An EGM shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company (the "**Eligible Shareholder(s)**") having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

— The requisition must state clearly the names of the Eligible Shareholders concerned, specify the objects of the meeting, and be signed by the Eligible Shareholders concerned. The Eligible Shareholders must prove their shareholdings in the Company to the satisfaction of the Company.

— The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.

— If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to move a resolution may by means of requisition convene an EGM.

Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the company secretary at the Company's registered office. Shareholders are encouraged to access to the Company website at https://www.infinities.com.hk for all relevant information including Company's announcements, press releases, financial highlights, the Company's constitutional documents and detailed procedures for shareholders to convene meetings.

The Company will not normally deal with verbal or anonymous enquiries.

J. Shareholder Rights

To safeguard Shareholder interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors. Meanwhile, the procedures for Shareholder to (i) convene an extraordinary general meeting, (ii) direct their enquiries to the Board and (iii) put forward proposals at Shareholders' meetings are available.

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong branch share registrar of transfer office, namely, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Shareholders who wish to put enquiries to the Board can send their enquiries to the company secretary of the Company who will ensure these enquiries to be properly directed to the Board. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Corporate communication of the Company will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

General meetings shall be convened on the written requisition of any two or more Shareholders of the Company deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists 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. General meetings may also be convened on the written requisition of any one shareholder of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist 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. The same procedures also apply to any proposal to be put forward at the general meetings. If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonably expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

All resolutions put forward at a general meeting will be taken by poll pursuant to the Listing Rules. In addition, the poll results will be posted on the websites of the Company and the Stock Exchange after the Shareholders' meeting.

Change Constitutional Documents

During the year under review, the Company has amended its Articles of Association by shareholders of the Company by way of special resolution on the Company's annual general meeting on 28 June 2024. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

K. Company Secretary

Ms. WONG Wai Yee Ella ("**Ms. WONG**") was appointed as the Company's company secretary on 23 May 2022 and is responsible for the secretarial affairs of our Company.

Ms. WONG is a Director of Corporate Services of Tricor Services Limited with over 23 years of experience and has been providing corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. WONG currently holds company secretary or joint company secretary positions in various listed companies on the Stock Exchange.

Ms. WONG is a Chartered Secretary, Chartered Governance Professional, Fellow of The Hong Kong Chartered Governance Institute and a Fellow member of The Chartered Governance Institute. Ms. WONG meets the qualification requirements for company secretary under Rule 3.28 of the Listing Rules.

For the year ended 31 December 2024, Ms. WONG has undertaken not less than 15 hours of relevant professional training to update her knowledge and skills in compliance with Rule 3.29 of the Listing Rules.

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct regular review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During FY2024, all Directors has completed the independence evaluation individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During FY2024, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Dividend Policy

The Company has adopted a dividend policy for the payment of dividends in accordance with code provision F.1.1 of the CG Code. The Company does not have any pre-determined dividend payout ratio. According to the dividend policy, payment of dividends depends on a number of factors, including the Company's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Directors may deem relevant. Dividends may be proposed and/or declared by our Board during a financial year and any final dividend for a financial year will be subject to our Shareholders' approval.

Based on the financial situation of the Group and other conditions and factors stipulated in the dividend policy, the Board of the Company does not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

Directors and Senior Management

The Directors and senior management of the Company as at the date of this annual report were:

DIRECTORS

Executive Directors

Mr. LI Qiang *(Chairman) (appointed on 24 April 2024)*
Mr. WANG Le

Non-executive Directors

Mr. WANG Ning
Mr. LIANG Junhua
Ms. WANG Yan *(appointed on 28 March 2025)*

Independent Non-executive Directors

Mr. LEUNG Ming Shu
Mr. TANG Shun Lam

The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Board considers them independent.

Biographical details of the current Directors are set out below.

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Mr. LI Qiang (李強), aged 38, was appointed as the executive Director, the Chairman and the chairman of the Nomination Committee of the Company since 24 April 2024. He has been the manager of president's office of Beijing Infinities Interactive Media Company Limited (北京多牛互動傳媒股份有限公司) since November 2019. From February 2014 to June 2016, he was a commercial manager of Beijing Infinities Interactive Media Company Limited and its subsidiaries. He obtained his bachelor's degree in information and computer science from Dalian Polytechnic University (大連工業大學) in July 2010.

Mr. WANG Le (王樂), aged 45, was appointed as the executive Director, the Chairman and the chairman of the Nomination Committee of the Company since 23 May 2022. He had resigned as the chairman of the Board and the chairman of the Nomination Committee of the Company on 24 April 2024, and continues to serve as an executive Director. He obtained his Junior College Degree in Economics Law at Jinling Institute of Technology in July 2001, and his Bachelor of Engineering Degree in Computer Software Application at Jilin University in July 2015. Mr. Wang Le has been the chairman of Beijing Infinities Interactive Media Company Limited* (北京多牛互動傳媒股份有限公司) ("**Beijing Infinities**") since August 2015. Prior to that, Mr. Wang Le served as the chief editor of Donews at Beijing Qianxiang Internet Technology Development Company Limited* (北京千橡互聯科技發展有限公司) from January 2006 to December 2013, and he was a journalist at The Economic Observer (經濟觀察報社) from September 2004 to December 2005 and at Tianji Media Group (重慶天極網絡有限公司) from February 2002 to September 2004.

Non-executive Directors

Mr. LIANG Junhua (梁俊華), aged 38, was appointed as a chief financial officer of the Company since 1 February 2018, designated as an executive Director in February 2020, and further re-designated as a non-executive Director and a member of the Audit Committee of the Company on 23 May 2022. Prior to joining our Group, Mr. Liang Junhua served as manager of Guosen Securities Company Limited from 2011 to 2012. From March 2013 to December 2017, he worked as assistant president for Shenzhen Glory Medical Co., Ltd. (深圳市尚榮醫療股份有限公司) ("**Shenzhen Glory**"), a company principally engaged in the design and construction of medical facilities and the manufacture and distribution of medical supplies listed on the Shenzhen Stock Exchange (stock code 2551), responsible for business strategies, financial budget, review of financial statements. He served as financial director of Convida Healthcare and Systems Corporation (康源醫療設備股份有限公司), a fellow subsidiary of Shenzhen Glory, from June 2014 to December 2017 responsible for financial management and planning.

Mr. WANG Ning (王寧), aged 45, was appointed as the non-executive Director and a member of the Remuneration Committee of the Company since 23 May 2022. He obtained his Bachelor's Degree in Hotel Management from Anhui Normal University in December 2001 and obtained his executive Master's Degree of Business Administration at Fudan University in January 2008. Mr. Wang Ning has been serving as an independent non-executive director, chairman of the remuneration committee as well as member of the audit, nomination, risk management and share award committees of Zhong Ji Longevity Science Group Limited, a listed company on the Stock Exchange (stock code: 767), since April 2022. Mr. Wang Ning has also been serving as a non-executive director of National Investments Fund Limited, a listed company on the Stock Exchange (stock code: 1227), since July 2019 and was a non-executive director of RMH Holdings Limited, a listed company on the Stock Exchange (stock code: 8437) from June 2018 to March 2020. Mr. Wang Ning also has been serving as the chairman of Prosperity Investment Fund (華盛基金有限公司) since June 2015 and was the chief executive officer of Shenzhen Huasheng Laimeng Investment Fund Management Co., Ltd.* (深圳華盛萊蒙投資基金管理有限公司) from May 2010 to August 2012.

Ms. WANG Yan (王豔), aged 36, was appointed as the non-executive Director of the Company since 28 March 2025. She has over 10 years of experience in the financing field, and has accumulated rich and diverse practical experience in investment banking, fund management, and international trade and finance. Since July 2010, Ms. Wang has been working at a municipal state-owned enterprise, mainly focusing on infrastructure construction investment and industrial investment. Since January 2019, she has been working at a company under a municipal state-owned enterprise and participated in urban investment and supply chain financial projects. Since July 2022, Ms. Wang established Zhongqingbaoshang Group Co., Ltd.* (中青寶上集團有限公司), and is appointed as its chairman. She obtained a bachelor's degree from Qilu University of Technology in 2010.

Independent Non-executive Directors

Mr. LEUNG Ming Shu (梁銘樞), aged 49, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee of the Company since 23 May 2022, and was appointed as a member of the Remuneration Committee of the Company since 28 March 2025. He obtained his Bachelor of Arts Degree in Accountancy from the City University of Hong Kong in June 1998 and a Master's Degree in Accountancy from the Chinese University of Hong Kong in November 2001. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of The Hong Kong Institute of Certified Public Accountants. He has over 21 years of experience in the areas of corporate finance and accounting. He is the founder of the private equity fund Harmony Capital and has served as the founding partner since 2017. Since April 2021, Mr. Leung Ming Shu has been serving as the group chief financial officer and a member of the strategy committee of 58.com Group as well as the managing partner of the 58 Industry Fund. Mr. Leung Ming Shu has been serving as an independent non-executive director of (i) Sun.King Technology Group Limited, a listed company on the Stock Exchange (stock code: 580), since March 2017; (ii) Renrui Human Resources Technology Holdings Limited, a listed company on the Stock Exchange (stock code: 6919), since November 2019; (iii) Cabbeen Fashion Limited, a listed company on the Stock Exchange (stock code: 2030), since February 2013; (iv) Gala Technology Holding Limited, a listed company on the Stock Exchange (stock code: 2458), since December 2022; and (v) non-executive director of GOGOX HOLDINGS LIMITED, a listed company on the Stock Exchange (stock code: 2246), since July 2021. Prior to that, Mr. Leung Ming Shu served as an independent non-executive director at Comtec Solar Systems Group Limited, a listed company on the Stock Exchange (stock code: 712), from June 2008 to February 2021; and Shengli Oil & Gas Pipe Holdings Limited, a listed company on the Stock Exchange (stock code: 1080), from January 2011 to April 2013.

Mr. TANG Shun Lam (鄧順林), aged 69, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company since 23 May 2022, and was appointed as a member of the Audit Committee of the Company since 28 March 2025. He obtained his Bachelor of Science Degree in Electrical and Electronics Engineering from Nottingham University in July 1979 and a Master's Degree in Business Administration from Bradford University in December 1981.

Mr. Tang Shun Lam was appointed as a non-executive director and a chairman of the board in Mulsanne Group Holding Limited (stock code: 1817.hk), since March 2023 and has been a senior advisor to L Catterton LLC since February 2023. He is also the Chairman of CAGR Gas Holdings Limited and a director of Hong Kong Huba Limited since October 2022. Mr. Tang Shun Lam has been serving as a director of Secoo Holding Limited, a listed company on the NASDAQ (stock code: SECO), since April 2022. He is an independent non-executive director of GOGOX HOLDINGS LIMITED (stock code: 02246.hk) since August 2021. He is also currently an independent director and member of the audit committee of Missfresh Limited, a listed company on the NASDAQ (stock code: MF), since August 2021. Prior to that, Mr. Tang Shun Lam served as a senior consultant to Warburg Pincus China from January 2007 to January 2023. Mr. Tang Shun Lam served as an independent director and chairman of the audit committee of Uxin Limited, a listed company on the NASDAQ (stock code: UXIN), from June 2019 to July 2021. Mr. Tang Shun Lam also served as a non-executive director and executive director of Vital Innovations Holdings Limited (stock code: 6133.hk), from March 2015 to December 2019. He served as an independent non-executive director of Greenheart Group Limited (stock code: 94.hk), from July 2015 to May 2019, and served as a non-executive director of China Eco-Farming Limited (stock code: 8166.hk), from September 2008 to August 2009.

SENIOR MANAGEMENT

The Group's senior management is responsible for the day-to-day management of the business of the Group.

Mr. Li Qiang (李 強), aged 38, has ceased to be acting Chief Executive Officer of the Company, and has been appointed as Chief Executive Officer on 24 April 2024. He is primarily responsible for the day-to-day management of the business of the Group. Please see his biography in the part headed "Biographical Details of Directors — Executive Directors" in this section.

Mr. ZHONG Yiding (鐘一鼎), aged 31, was appointed as a senior executive vice president of the Company and a chief strategy officer of the Company on 24 April 2024. Since January 2022, he has been a vice president and general manager of the strategic investment department of Beijing Infinities. From November 2018 to October 2021, he was a senior manager of entrusted investment supervision at CCB Pension Management Co., Ltd.* (建信養老金管理有限責任公司). From October 2017 to October 2018, he was an investment manager of ATM Capital. Mr. ZHONG obtained his bachelor's degree in management from University of Hertfordshire in the United Kingdom (the "UK") in June 2016 and a master's degree in international economy and trade from The University of Warick in the UK in August 2017. He is currently studying for a dual-degree master's degree in finance from Tsinghua University PBC School of Finance and Cornell University.

Ms. WANG Dongmei (王冬梅), aged 41, was appointed as a Vice President and a general manager of business division of Beijing Wande Game Technology Company Limited* (北京玩德遊戲科技有限公司). From September 2019 to August 2020, she was a distribution and commercial operations director of Beijing ELEX Technology Co., Ltd., a listed company on the National Equities Exchange and Quotations (stock code: 872801.NQ). From January 2018 to December 2018, she was a director of distribution and business operations at Archosaur Games Inc., a listed company on the Hong Kong Stock Exchange (stock code: 9990.HK). From May 2012 to August 2017, she was a commercial operations director of Locojoy. Ms. WANG obtained her bachelor's degree in law from Peking University in June 2006.

Mr. WANG Anjiang (王安江), aged 30, was appointed as a Vice President and a general manager of business division of AIGC. Since September 2021, he has been a head of marketing department of Sichuan subsidiary of Beijing Infinities. From March 2020 to August 2021, he worked as marketing director in Chengdu Invincible Warrior Technology Co., Ltd.* (成都無敵勇士科技有限公司) and marketing manager in Sohu, a listed company on NASDAQ (stock code: SOHU) from July 2017 to June 2019, respectively. Mr. WANG obtained his bachelor's degree in business administration from Jiangnan University in June 2017 and a master's degree in media management from King's College London in the UK in December 2019.

Company Secretary

Ms. WONG Wai Yee Ella (黃慧兒) aged 49, was appointed as the company secretary, the process agent and an authorised representative of the Company on 23 May 2022. She is a Chartered Secretary, Chartered Governance Professional, Fellow of The Hong Kong Chartered Governance Institute and a Fellow member of The Chartered Governance Institute. She is a Director of Corporate Services of Tricor Services Limited with over 23 years of experience and has been providing corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. WONG Wai Yee Ella currently holds company secretary or joint company secretary positions in various listed companies on the Stock Exchange.

EY 安永

To the shareholders of Infinities Technology International (Cayman) Holding Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Infinities Technology International (Cayman) Holding Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 83 to 160, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements which indicates that the Group incurred a net loss of RMB51 million with net cash outflows used in operating activities of RMB55 million during the year ended 31 December 2024 and, as of that date, the Group had cash and cash equivalents of RMB3.9 million, and interest-bearing borrowings of RMB6.2 million which have been classified as current liabilities. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables	
As at 31 December 2024, the Group had gross trade receivables of approximately RMB210,384,000 before provision for impairment of approximately RMB57,695,000. Significant management judgement and estimation were required in assessing the expected credit losses ("**ECLs**") for the trade receivables, with reference to the grouping of various debtor segments, ageing profile of the trade receivable balances, existence of disputes, and past repayment history of debtors and forecasted economic conditions. The related disclosures are included in notes 2.4, 3 and 19 to the consolidated financial statements.	In evaluating management's impairment assessment, our procedures included: (i) obtaining confirmations and evidence of subsequent settlements for selected trade receivable balances on a sample basis; and (ii) evaluating management's assumptions used to determine the ECLs through testing of the underlying information on the ageing reports generated by the Group's financial reporting system and assessing the repayment history of the debtors as well as the forward-looking factors with reference to the related publicly available information. We also involved our internal specialists to assist us in evaluating the ECLs assessment and key parameters adopted, including forward looking adjustment factor. In addition, we assessed the related disclosures in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter

Purchase price allocation for business combination

During the year, the Group acquired a 100% equity interest of Infinities Wonder Limited at a total purchase consideration of RMB84,761,000. The acquisition has been accounted for in accordance with HKFRS 3 (Revised) *Business Combinations* using the acquisition method.

Management has engaged an independent professional qualified valuer to assist them in identifying intangible asset and to perform the valuation of the identifiable assets and liabilities with respect to the acquisition at the acquisition date, based on which, management performed a purchase price allocation exercise for the acquisition, which resulted in recognition of an intangible asset of RMB60,280,000, being the identified contract rights, and goodwill of RMB61,279,000.

Significant judgements and estimates were involved in the fair value assessment of the identified contract rights and the recognition of goodwill arising from the business combination. These significant judgements include the adoption of appropriate valuation methodology and the use of key assumptions in the valuation, including gross profit margin, discount rate and expected useful life of the contract rights.

The related disclosures are included in notes 2.4, 3 and 31 to the consolidated financial statements.

How our audit addressed the key audit matter

In evaluating management's assessment for the purchase price allocation, our procedures included: (i) inspecting the sale and purchase agreement and evaluating management's accounting treatment for the acquisition with reference to the requirements of prevailing accounting standards; (ii) considering the objectivity, independence and competency of external valuer engaged by the Group; (iii) involving our internal valuation specialists to assist us in evaluating the valuation methodologies adopted and the assumptions used in the valuation of the identifiable assets and liabilities with respect to the acquisition, in particular, the discount rate; and (iv) checking the mathematical accuracy of the calculations of the fair value of the identified contract rights and goodwill.

We also assessed the related disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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 Chung Chi Ming.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong
28 March 2025

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
Revenue	5	**258,478**	263,880
Cost of sales		**(225,799)**	(225,683)
Gross profit		**32,679**	38,197
Other income and gains, net	5	**13,168**	2,300
Selling and distribution expenses		**(7,921)**	(7,439)
Administrative expenses		**(46,294)**	(37,578)
Research and development expenses		**(17,967)**	(25,863)
Impairment of trade receivables, net	19	**(12,432)**	(6,342)
Other expenses		**(12,951)**	(16,006)
Finance costs	7	**(418)**	(312)
Share of losses of associates		**(26)**	(36)
Loss before tax	6	**(52,162)**	(53,079)
Income tax credit/(expense)	10	**1,276**	(701)
Loss for the year		**(50,886)**	(53,780)
Attributable to:			
Owners of the parent		**(51,015)**	(53,320)
Non-controlling interests		**129**	(460)
		(50,886)	(53,780)
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted	12	**RMB(7.3) cents**	RMB(9.0) cents

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Loss for the year	**(50,886)**	(53,780)
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of group companies	**3,496**	2,837
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(3,417)**	(1,903)
Other comprehensive income for the year	**79**	934
Total comprehensive loss for the year	**(50,807)**	(52,846)
Attributable to:		
Owners of the parent	**(50,936)**	(52,386)
Non-controlling interests	**129**	(460)
	(50,807)	(52,846)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	13	**5,089**	6,893
Right-of-use assets	14(a)	**4,611**	7,788
Interests in associates	15	**296**	3,961
Equity investments designated at fair value through other comprehensive income	16	**3,004**	6,421
Prepayments and deposits	20	**6,945**	13,814
Goodwill	17	**61,279**	–
Intangible asset	18	**53,193**	–
Total non-current assets		**134,417**	38,877
Current assets			
Trade receivables	19	**152,689**	84,753
Prepayments, deposits and other receivables	20	**259,654**	67,315
Cash and cash equivalents	21	**3,863**	37,211
Total current assets		**416,206**	189,279
Current liabilities			
Trade payables	22	**129,731**	59,275
Contract liabilities	23	**463**	16,795
Other payables and accruals	24	**212,853**	23,409
Interest-bearing bank borrowings	25	**3,000**	–
Lease liabilities	14(b)	**2,903**	3,470
Loans from fellow subsidiaries	26	**3,220**	100
Tax payable		**1,802**	1,467
Total current liabilities		**353,972**	104,516
Net current assets		**62,234**	84,763
Total assets less current liabilities		**196,651**	123,640

Consolidated Statement of Financial Position *(Continued)*

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Lease liabilities	14(b)	**1,796**	4,875
Deferred tax liabilities	27	**15,601**	2,303
Total non-current liabilities		**17,397**	7,178
Net assets		**179,254**	116,462
EQUITY			
Equity attributable to owners of the parent			
Issued capital	28	**6,650**	5,683
Reserves	29	**151,294**	105,476
		157,944	111,159
Non-controlling interests		**21,310**	5,303
Total equity		**179,254**	116,462

WANG Le
Director

LI Qiang
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

		Attributable to owners of the parent									
	Notes	Issued capital RMB'000	Share premium account RMB'000	Other reserve RMB'000 *(note 29(i))*	Statutory reserve funds RMB'000 *(note 29(ii))*	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023		4,946	130,168	10,000	7,241	(546)	(5,860)	(97,365)	48,584	5,763	54,347
Loss for the year		–	–	–	–	–	–	(53,320)	(53,320)	(460)	(53,780)
Other comprehensive income/(loss) for the year:											
Exchange differences on translation of financial statements of group companies		–	–	–	–	–	2,837	–	2,837	–	2,837
Changes in fair value of equity investments at fair value through other comprehensive income		–	–	–	–	(1,903)	–	–	(1,903)	–	(1,903)
Total comprehensive income/(loss) for the year		–	–	–	–	(1,903)	2,837	(53,320)	(52,386)	(460)	(52,846)
Issue of shares upon placing of shares	28	737	129,999	–	–	–	–	–	130,736	–	130,736
Share issue expenses		–	(15,775)	–	–	–	–	–	(15,775)	–	(15,775)
At 31 December 2023 and 1 January 2024		5,683	244,392	10,000	7,241	(2,449)	(3,023)	(150,685)	111,159	5,303	116,462
Profit/(loss) for the year		**–**	**–**	**–**	**–**	**–**	**–**	**(51,015)**	**(51,015)**	**129**	**(50,886)**
Other comprehensive income/(loss) for the year:											
Exchange differences on translation of financial statements of group companies		**–**	**–**	**–**	**–**	**–**	**3,496**	**–**	**3,496**	**–**	**3,496**
Changes in fair value of equity investments at fair value through other comprehensive income		**–**	**–**	**–**	**–**	**(3,417)**	**–**	**–**	**(3,417)**	**–**	**(3,417)**
Total comprehensive income/(loss) for the year		**–**	**–**	**–**	**–**	**(3,417)**	**3,496**	**(51,015)**	**(50,936)**	**129**	**(50,807)**
Issue of shares upon placing of shares	28	**75**	**13,217**	**–**	**–**	**–**	**–**	**–**	**13,292**	**–**	**13,292**
Share issue expenses		**–**	**(332)**	**–**	**–**	**–**	**–**	**–**	**(332)**	**–**	**(332)**
Issue of shares upon acquisition of a subsidiary	31	**892**	**83,869**	**–**	**–**	**–**	**–**	**–**	**84,761**	**–**	**84,761**
Acquisition of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**15,655**	**15,655**
Disposal of subsidiaries	30	**–**	**–**	**–**	**(1,729)**	**–**	**–**	**1,729**	**–**	**223**	**223**
Transfer of fair value reserve upon the deregistration of an equity investment designated at fair value through other comprehensive income	16	**–**	**–**	**–**	**–**	**5,270**	**–**	**(5,270)**	**–**	**–**	**–**
At 31 December 2024		**6,650**	**341,146***	**10,000***	**5,512***	**(596)***	**473***	**(205,241)***	**157,944**	**21,310**	**179,254**

* These reserve accounts comprise the consolidated reserves of RMB151,294,000 (2023: RMB105,476,000) in the consolidated statement of financial position as at 31 December 2024.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(52,162)**	(53,079)
Adjustments for:			
Finance costs	7	**418**	312
Share of losses of associates		**26**	36
Interest income	5	**(9)**	(15)
Reversal of impairment of interest in an associate	5	**(2,299)**	–
Depreciation of property, plant and equipment	6	**1,657**	1,102
Gain on disposal of subsidiaries	5	**(3,945)**	–
Gain on leases termination	5	**(461)**	–
Depreciation of right-of-use assets	6	**3,477**	1,901
Amortisation of intangible asset	6	**7,087**	–
Impairment of trade receivables, net		**12,432**	6,342
Impairment/(reversal of impairment) of deposits and other receivables	6	**10,079**	(37)
Impairment of interests in associates	6	**1,532**	15,567
Loss on disposal of items of property, plant and equipment	6	**4**	10
Write-off of items of property, plant and equipment	6	**–**	1
Loss on deregistration of associates	6	**185**	–
		(21,979)	(27,860)
Increase in trade receivables		**(83,275)**	(64,263)
Increase in prepayments, deposits and other receivables		**(210,899)**	(42,144)
Increase in trade payables		**73,168**	37,154
Increase/(decrease) in contract liabilities		**(16,332)**	14,427
Increase in other payables and accruals		**204,246**	6,937
Cash used in operations		**(55,071)**	(75,749)
Taxes paid		**(124)**	(66)
Net cash flows used in operating activities		**(55,195)**	(75,815)

Consolidated Statement of Cash Flows *(Continued)*

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**9**	15
Purchases of items of property, plant and equipment		**(10)**	(7,195)
Proceeds from disposal of items of property, plant and equipment		**210**	–
Disposal of subsidiaries	30	**(676)**	–
Acquisition of a subsidiary	31	**323**	–
Decrease/(increase) in an amount due from an associate		**4,221**	(11)
Net cash flows from/(used in) investing activities		**4,077**	(7,191)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**13,292**	130,736
Share issue expenses		**(332)**	(15,775)
Repayment of loans from fellow subsidiaries		**(5,685)**	(13,470)
Repayment of loans from the ultimate holding company		**–**	(21,617)
Loans from fellow subsidiaries		**8,805**	3,570
Loans from the ultimate holding company		**–**	15,136
New bank loans		**3,000**	–
Interest paid		**(418)**	(214)
Principal portion of lease payments	32(b)	**(3,422)**	(1,508)
Net cash flows from financing activities		**15,240**	96,858
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(35,878)**	13,852
Cash and cash equivalents at beginning of year		**37,211**	20,715
Effect of foreign exchange rate changes, net		**2,530**	2,644
CASH AND CASH EQUIVALENTS AT END OF YEAR		**3,863**	37,211
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	**3,863**	37,211

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 606, West Building, Fangyuan E Time, 12-1 Keyun Road, Tianhe District, Guangzhou, PRC. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 17 March 2020.

During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the development and operation of mobile games, the distribution of digital media content and gaming products supply in China and overseas.

In the opinion of the Directors, the ultimate holding company of the Company is Infinities Technology (Cayman) Holding Limited ("**Infinities Cayman**"), a company incorporated in the Cayman Islands.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Emperor Interactive Entertainment Development Company Limited	British Virgin Islands	United States dollar ("**US$**")1	100	–	Investment holding
Jiu Zun Hu Yu Entertainment Technology Company Limited	Hong Kong	Hong Kong dollar ("**HK$**")1	–	100	Investment holding, Development and operation of mobile games and distribution of digital media content
Guangzhou Jiu Zun Interactive Entertainment Company Limited ("**WFOE**") 廣州市九尊互娛科技發展有限公司* ^	PRC/Mainland China	HK$1,000,000	–	100	Investment holding
Guangzhou Jiu Zun Digital Entertainment Technology Development Company Limited ("**Guangzhou Jiu Zun**") 廣州市九尊數娛科技發展有限公司* #	PRC/Mainland China	RMB9,300,000	–	100	Investment holding

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Particulars of the Company's principal subsidiaries are as follows: *(Continued)*

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Chengdu Zhile Interactive Technology Company Limited ("**Chengdu Zhile**") 成都指樂互動科技有限公司* #	PRC/Mainland China	RMB10,000,000	–	100	Development and operation of mobile games and distribution of digital media content
Chengdu Benying Interactive Entertainment Technology Company Limited ("**Chengdu Benying**") 成都犇贏互娛科技有限公司* #	PRC/Mainland China	RMB10,000,000	–	100	Development and operation of mobile games
Chengdu Wanxiang Renewal Technology Co., Ltd ("**Chengdu Wanxiang**") 成都萬象更新科技有限公司*#	PRC/Mainland China	RMB10,000,000	–	100	Distribution of digital media content
Guangzhou Family Doctor Information Technology Company Limited ("**Family Doctor**") 廣州家庭醫生信息技術有限公司* #	PRC/Mainland China	RMB10,000,000	–	93	Development and operation of mobile games and distribution of digital media content
Beijing Wande Game Technology Company Limited ("**Wande**") 北京玩德遊戲科技有限公司*#	PRC/Mainland China	RMB10,000,000	–	60	Development and operation of mobile games

* The English names of these entities registered in the PRC represent the best efforts made by management of the Company to directly translate their Chinese names as they did not register any official English names.

^ The WFOE is registered as a wholly-foreign-owned enterprise under PRC law.

\# These subsidiaries are registered as limited liability companies under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income which have been measured at fair value. They are presented in RMB and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Basis for consolidation

These consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

Basis for consolidation *(Continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

The Group incurred a loss for the year of RMB51 million with net cash outflows used in operating activities of RMB55 million during the year ended 31 December 2024. As at 31 December 2024, the Group's cash and cash equivalents amounted to RMB3.9 million, and interest-bearing borrowings amounted to RMB6.2 million which have been classified as current liabilities.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company are undertaking a number of plans and measures to improve the Group's liquidity and financial position, including, inter alia:

(i) To finance the Group's businesses, the Group has obtained a long-term loan facility from an entity of which its controlling shareholder was appointed as a non-executive director of the Company effective from 28 March 2025 in the amount of HK$250 million; and

(ii) To improve the current and future financial performance and liquidity conditions, various financial performance and resources improvement plans and measures have been implemented/contemplated by the Group to focus on improving the financial performance and liquidity of the Group and to enable the Group to take advantage of any growth opportunities in the future, including:

   (a) Focusing resources in digital marketing;

   (b) Implementing measures to speed up the collection of outstanding trade and other receivables; and

   (c) Exploring other debt or equity financing arrangements.

2. ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

Going concern *(Continued)*

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2024. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following: (a) timely availability of funds from the loan as mentioned in (i) above; and (b) the appropriateness of key assumptions applied in estimating the cash flow projections including cash flows from settlements of trade and other receivables, forecast revenue and budgeted costs and expenses.

Should the going concern assumptions be inappropriate, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policies and disclosures *(Continued)*

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments* [2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects of these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies

Interests in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill *(Continued)*

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Fair value measurement

The Group measures its equity investments designated at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Related parties *(Continued)*

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture, fixtures and office equipment	20% to 33%
Motor vehicle	20%
Leasehold improvements	Over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Property, plant and equipment and depreciation *(Continued)*

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Contract rights

Purchased contract rights are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease terms.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Leases *(Continued)*

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of staff quarters (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through other comprehensive income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Investments and other financial assets *(Continued)*

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of financial assets *(Continued)*

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 120 days past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of financial assets *(Continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, lease liabilities, interest-bearing bank borrowings and loans from fellow subsidiaries.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)
After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is recognised in the statement of profit or loss.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is recognised in the statement of profit or loss.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Income tax *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers (Continued)

(a) Mobile game development and operation

The Group's mobile games are played on individual mobile devices and allow players to play for free. Players can purchase in-game items and premium features, commonly known as virtual items, to enhance their game-playing experience. The Group distributes its mobile games through cooperation with various third-party game distribution platforms, including mobile operators, online application stores and mobile game portals, and derives its revenue from sales of in-game virtual items. The third-party platforms generally are responsible for distribution, marketing, platform maintenance and payment collections from players. Players purchase the Group's in-game virtual items through the platforms' own charging systems by remitting the payment directly to the platforms.

For multi-player mobile games where the Group is acting as a principal, upon the sales of the in-game items and premium features, the Group typically has an implied obligation to provide the services which enable the virtual items to be consumed. As a results, the payments received from the sales of the in-game items and premium features are initially included in contract liabilities in the consolidated statement of financial position and are recognised as revenue subsequently only when the services have been rendered. The Group recognises the revenue ratably over the estimated average playing period of paying players, starting from the time when virtual items are delivered to the individual players' accounts and all other revenue recognition criteria are met.

Third-party platforms may offer various discounts or incentives from time to time to players purchasing in-game virtual items through their platforms. The actual prices paid by individual players may be lower than the standard prices of virtual items. Information relating to such discounts or incentives are not available to the Group. Accordingly, the Group is unable to determine the gross amount paid by the players to these platforms. For revenue related to these platforms, it is measured at the fair value of the consideration received and receivable, which is the net amount from these third-party platforms.

(b) Digital media content distribution

The Group distributes its digital media content through cooperation with various third-party distribution platforms, including mobile operators and online application stores, and derives its revenue from the sale of digital media content. The purchasers of the Group's digital media content generally purchase specific digital media content and cannot cancel the purchase once made. The purchasers can pay for their purchases through third-party distribution platforms. The purchased content usually has no expiry period. The revenue from purchase of digital media content is recognised at the time of purchase by the purchaser as the Group does not have further obligation after providing the content to the purchaser upon purchase and all other criteria for revenue recognition are met.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers (Continued)

(b) Digital media content distribution (Continued)
Third-party platforms may offer various discounts or incentives from time to time to purchasers of the Group's digital media content using their platforms. The actual price paid by individual purchaser may be lower than the standard price of digital media content. Information relating to such discount or incentive is not available to the Group. Accordingly, the Group is unable to determine the gross amount paid by the purchasers to these platforms. For revenue related to these platforms, it is measured at the fair value of the consideration received and receivable, which is the net amount from these third-party platforms.

(c) Information services
Information services revenue is derived principally from information services, including online advertising arrangements. The Group enters into arrangements with advertisers or advertisement agents to allow them to place advertisements in particular areas of the Group's games. Information services revenue is recognised either ratably over the displaying period of the advertisement or upon a particular action by players, i.e., click, download or activate.

(d) Advertisement distribution services
The advertisers (i.e., the end-customer) provide their own produced distribution contents and formulate their own advertisement campaign. The Group enters into advertising agreements with the platforms and provides distribution services to advertisers by publishing the contents on the mobile application or social media platforms. Advertisement distribution service revenue is recognised either ratably over the displaying period of the advertisement or upon a particular action by users, i.e., click, download or activate.

(e) Subscription fee of AIGC mobile app
The users pay an upfront subscription fee to use the functions in the mobile application for a specified period, ranging from one day to one year, or make a one-off payment for unlimited access. Revenue from subscription of AIGC mobile app is recognised ratably over the subscription period or over the estimated average usage period of paying users.

(f) AI application development and related services
Revenue from AI application development and related services is recognised at the point in time when control of the promised service is transferred to the customer, generally on the delivery of the promised service.

(g) Gaming products supply
Revenue from the gaming products supply is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the gaming products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

The financial statements are presented in RMB, which is different from the Company's functional currency, HK$. As the major revenues and assets of the Group are derived from the operations in Mainland China, RMB is chosen as the presentation currency to present the consolidated financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The functional currencies of the Company and certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at weighted average exchange rates for the year.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies *(Continued)*

Foreign currencies *(Continued)*

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contractual Arrangements

Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chengdu Wanxiang and their subsidiaries (collectively, the "**PRC Operating Entities**") are mainly engaged in the provision of mobile games development and operation and digital media content distribution in the PRC, which falls in the scope of the internet cultural business that foreign investors are prohibited to invest.

The Group exercises control over the PRC Operating Entities and enjoys all economic benefits of the PRC Operating Entities through certain contractual arrangements.

The Group considers that it controls the PRC Operating Entities, notwithstanding the fact that it does not hold direct equity interest in the PRC Operating Entities, as it has power over the financial and operating policies of the PRC Operating Entities and receives substantially all the economic benefits from the business activities of the PRC Operating Entities through the contractual arrangements. Accordingly, the PRC Operating Entities have been accounted for as subsidiaries during the year.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Judgments (Continued)

Principal vs agent

The Group evaluates agreements with distribution channel providers in order to determine whether the Group acts as the principal in the arrangement with each party respectively, which it considers in determining if relevant revenue should be reported gross or net of the predetermined amount of the proceeds shared with them.

The determination of whether to record the revenue gross or net is based on an assessment of various factors, including, but not limited to, whether the Group (i) is the primary obligor in the arrangement; (ii) changes the product or performs part of the services; (iii) has latitude in establishing the selling price; (iv) has involvement in the determination of product and service specifications. The assessment is performed for all of the Group's mobile games.

During the year, the Group took primary responsibilities for game operation, providing customer services and controlling games and services. Accordingly, the Group recorded the revenue from mobile game development and operation on a gross basis after the deduction of certain percentage of gross billings retained by third party platforms. Service fees paid to distribution channel providers are recorded as cost of sales.

Third-party platforms may offer various discounts or incentives from time to time to players purchasing in-game virtual items through their platforms. The actual prices paid by individual players may be lower than the standard prices of virtual items. Information relating to such discounts or incentives are not available to the Group. Accordingly, the Group is unable to determine the gross amount paid by the players to these platforms. For revenue related to these platforms, it is measured at the fair value of the consideration received and receivable, which is the net amount from these third-party platforms.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Estimates of average playing period of paying players

The Group recognises revenue from multi-player mobile games ratably over the estimated average playing period of paying players for durable virtual items and the consumable virtual items whose consumption information is unable to be tracked. The determination of average playing period of paying players of each game is made based on the Group's best estimates that take into account all known and relevant information at the time of assessment. Such estimates are subject to re-evaluation on a regular basis. Future paying players' playing patterns and behaviors may differ from the historical playing pattern and therefore the estimated average playing period of paying players may change in the future. The Group will continue to monitor the estimated average playing period of paying players, which may differ from the historical period, and any change in the estimate may result in the revenue being recognised on a different basis to that in prior periods. Any adjustments arising from changes in the average playing period of paying players as a result of new information will be accounted for as a change in an accounting estimate.

Impairment of interests in associates

After applying the equity method, the Group assesses whether there is any objective evidence of impairment for the interests in associates. The interests in associates are tested for impairment when there is objective evidence of impairment. The carrying amount of interests in associates as at 31 December 2024 was RMB296,000 (2023: RMB3,961,000) and an impairment loss of RMB1,532,000 (2023: RMB15,567,000) was recognised during the year. Further details are disclosed in note 15 to the financial statements.

Fair value of unlisted equity investments

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as the implied equity value, volatility and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Group classifies the fair value of these investments as Level 3. Further details are included in note 16 to the financial statements.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was RMB61,279,000.

Impairment of non-financial assets (other than goodwill)

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

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in mobile game development and operation, digital media content distribution and gaming products supply in China and overseas. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	RMB'000
Mainland China	**159,414**	118,099
Other countries/regions	**99,064**	145,781
Total revenue	**258,478**	263,880

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	2023
	RMB'000	RMB'000
Mainland China	**123,048**	16,082
Other countries/regions	**1,420**	2,560
Total non-current assets	**124,468**	18,642

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenue of gaming products supply of approximately RMB27,974,000 (2023: RMB45,612,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out as below:

	Segment	**2024**	2023
		RMB'000	RMB'000
Customer A	Mobile games development and operation	**48,659**	70,285
Customer B	Advertisement distribution services	**43,514**	–
Customer C	Advertisement distribution services	**38,821**	–

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers		
Types of goods and services		
Mobile games		
— Development and operation	75,333	144,416
— Information services	124	1,583
Digital media		
— Content distribution	737	2,210
— Advertisement distribution services	111,547	38,579
— Subscription fee of AIGC mobile app	1,563	25,416
— AI application development and related services	41,200	–
Gaming products supply	27,974	51,676
Total	258,478	263,880
Geographical markets		
Mainland China	159,414	118,099
Other countries/regions	99,064	145,781
Total	258,478	263,880
Timing of revenue recognition		
Point in time	164,571	91,916
Over time	93,907	171,964
Total	258,478	263,880

5. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 **RMB'000**	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Multi-player mobile games revenue	**16,795**	2,368

An analysis of other income and gains, net is as follows:

	2024 **RMB'000**	2023 RMB'000
Other income		
Interest income	**9**	15
Government grants*	**23**	704
Reversal of impairment of interest in an associate	**2,299**	–
Additional deduction of input value-added tax**	**–**	1,242
Others	**498**	339
Total other income	**2,829**	2,300
Gains, net		
Gain on disposal of subsidiaries	**3,945**	–
Gain on lease termination	**461**	–
Gain on sale of a game	**2,242**	–
Commission income on the provision of advertisement traffic	**3,691**	–
Total gains, net	**10,339**	–
Total other income and gains, net	**13,168**	2,300

* During the year ended 31 December 2023, various government grants of approximately RMB0.7 million were received by certain subsidiaries as these subsidiaries were qualified as High and New Technology Enterprises in the PRC. There were no unfulfilled conditions or contingencies relating to these grants.

** During the year ended 31 December 2023, an additional deduction of input value-added tax ("**VAT**") amounting to RMB1.2 million was recognised in profit or loss due to the VAT reform. In accordance with announcement No.39 of Relevant Policies for Deepening the VAT Reform jointly issued by the Ministry of Finance (the "**MOF**"), State Taxation Administration (the "**SAT**") and General Administration of Customs, certain subsidiaries were eligible for deduction after a 10% increase in the current deductible input tax from 1 April 2019 to 31 December 2021. The implementation period was further extended to 31 December 2022 according to announcement No.11 by the MOF and SAT in 2022. In accordance with announcement No.1 by the MOF and SAT in 2023, certain subsidiaries were eligible for a 5% additional deduction to their tax payable based on the creditable input VAT in the period from 1 January 2023 to 31 December 2023.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of sales		**225,799**	225,683
Depreciation of property, plant and equipment	13	**1,657**	1,102
Depreciation of right-of-use assets	14(a)	**3,477**	1,901
Lease payments not included in the measurement of lease liabilities	14(c)	**92**	1,991
Auditor's remuneration		**2,199**	2,597
Employee benefit expense (including directors' and chief executives' remuneration (note 8)):			
Wages, fees, salaries, bonuses and allowances		**23,666**	16,715
Pension scheme contributions (defined contribution scheme)*		**2,981**	2,080
Total		**26,647**	18,795
Impairment/(reversal of impairment) of deposits and other receivables#	20	**10,079**	(37)
Loss on disposal of items of property, plant and equipment#		**4**	10
Write-off of items of property, plant and equipment#		**–**	1
Amortisation of intangible asset	18	**7,087**	–
Impairment of interests in associates#		**1,532**	15,567
Loss on deregistration of associates#		**185**	–
Provision for settlement of legal dispute#		**–**	400

Included in "Other expenses", in the consolidated statement of profit or loss.

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on loans from fellow subsidiaries and the ultimate holding company	**49**	136
Interest on bank loans	**82**	–
Interest on lease liabilities	**287**	176
Total	**418**	312

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 **RMB'000**	2023 RMB'000
Fees	**1,112**	934
Other emoluments:		
Salaries and allowances	**3,524**	3,308
Pension scheme contributions	**105**	70
Subtotal	**3,629**	3,378
Total	**4,741**	4,312

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 **RMB'000**	2023 RMB'000
Mr. Leung Ming Shu	**388**	380
Mr. Tang Shun Lam	**388**	380
Mr. Yan Chi Kwan	**336**	–
Mr. Choi Onward	**–**	174
Total	**1,112**	934

Mr. Choi Onward passed away on 12 June 2023.

Mr. Yan Chi Kwan was appointed as an independent non-executive director of the Company on 19 February 2024.

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION *(Continued)*

(b) Executive directors, non-executive directors and the chief executives

	Fees RMB'000	Salaries and allowances RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2024				
Executive directors:				
Mr. Wang Le	–	1,552	–	1,552
Mr. Chen Ying	–	226	–	226
Mr. Li Qiang	–	513	–	513
Subtotal	–	2,291	–	2,291
Non-executive directors:				
Mr. Liang Junhua	–	399	–	399
Mr. Wang Ning	–	399	–	399
Subtotal	–	798	–	798
Chief executive officer:				
Mr. Li Qiang	–	435	105	540
Total	–	3,524	105	3,629

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION *(Continued)*

(b) Executive directors, non-executive directors and the chief executives *(Continued)*

	Fees RMB'000	Salaries and allowances RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2023				
Executive directors:				
Mr. Wang Le	–	1,520	–	1,520
Mr. Chen Ying	–	706	–	706
Subtotal	–	2,226	–	2,226
Non-executive directors:				
Mr. Liang Junhua	–	391	–	391
Mr. Wang Ning	–	391	–	391
Subtotal	–	782	–	782
Chief executive officer:				
Mr. Li Qiang	–	300	70	370
Total	–	3,308	70	3,378

Mr. Chen Ying resigned as an executive director of the Company on 24 April 2024 and Mr. Li Qiang was appointed as an executive director of the Company on 24 April 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2023: Four) and one chief executive (2023: Nil), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year ended 31 December 2024 of the remaining three (2023: one) highest paid employee who was neither a director nor chief executive of the Company are as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries, discretionary bonuses and allowances	**1,363**	420
Pension scheme contributions	**227**	83
Total	**1,590**	503

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2024	2023
Nil to HK$1,000,000	**3**	1

10. INCOME TAX

All subsidiaries of the Group established in the PRC are subject to PRC corporate income tax at a standard rate of 25% during the year, except for:

(i) Certain subsidiaries of the Group applied the Small-Scaled Minimal Profit Enterprise Income Tax Preferential Policy announced by the PRC's State Administration of Taxation;

(ii) In the prior year, a subsidiary of the Group which was qualified as a High and New Technology Enterprise in Mainland China, was entitled to a lower PRC corporate income tax rate of 15%; and

(iii) In the prior year, a subsidiary of the Group was qualified as a software enterprise by the Guangdong Software Industry Association and was entitled to tax exemption for two years and thereafter to a preferential rate at half of the corporate income tax rate for three years.

	2024 **RMB'000**	2023 RMB'000
Current — Mainland China		
Charge for the year	**496**	562
Deferred (note 27)	**(1,772)**	139
Total tax charge/(credit) for the year	**(1,276)**	701

10. INCOME TAX *(Continued)*

A reconciliation of the tax credit applicable to loss before tax at the PRC statutory tax rate to the tax charge at the Group's effective tax rate is as follows:

	2024 RMB'000	2023 RMB'000
Loss before tax	**(52,162)**	(53,079)
Tax credit at the PRC statutory tax rate of 25% (2023: 25%)	**(13,041)**	(13,270)
Lower tax rates enacted by local authorities	**3,788**	3,517
Incomes not subject to tax	**(197)**	–
Expenses not deductible for tax	**7,063**	6,022
Temporary differences not recognised	**3,703**	1,575
Tax losses not recognised	**237**	2,718
Tax losses utilised from previous periods	**(2,829)**	–
Effect of withholding tax at 10% on distributable profits of the Group's PRC subsidiaries	**–**	139
Tax charge/(credit) at the Group's effective tax rate	**(1,276)**	701

11. DIVIDENDS

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

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent of RMB51,015,000 (2023: RMB53,320,000), and the weighted average number of ordinary shares of 702,575,958 (2023: 591,428,686) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicle RMB'000	Total RMB'000
31 December 2024				
At 1 January 2024:				
Cost	**1,473**	**7,702**	**347**	**9,522**
Accumulated depreciation	**(359)**	**(2,119)**	**(151)**	**(2,629)**
Net carrying amount	**1,114**	**5,583**	**196**	**6,893**
At 1 January 2024, net of accumulated depreciation	**1,114**	**5,583**	**196**	**6,893**
Additions	**–**	**10**	**–**	**10**
Disposals	**–**	**(31)**	**(183)**	**(214)**
Disposal of subsidiaries (note 30)	**–**	**(38)**	**–**	**(38)**
Depreciation provided during the year	**(554)**	**(1,090)**	**(13)**	**(1,657)**
Exchange realignment	**32**	**63**	**–**	**95**
At 31 December 2024, net of accumulated depreciation	**592**	**4,497**	**–**	**5,089**
At 31 December 2024:				
Cost	**1,505**	**7,744**	**–**	**9,249**
Accumulated depreciation	**(913)**	**(3,247)**	**–**	**(4,160)**
Net carrying amount	**592**	**4,497**	**–**	**5,089**
31 December 2023				
At 1 January 2023:				
Cost	444	1,462	347	2,253
Accumulated depreciation	(156)	(1,269)	(102)	(1,527)
Net carrying amount	288	193	245	726
At 1 January 2023, net of accumulated depreciation	288	193	245	726
Additions	979	6,216	–	7,195
Disposals	–	(10)	–	(10)
Write-off	–	(1)	–	(1)
Depreciation provided during the year	(203)	(850)	(49)	(1,102)
Exchange realignment	50	35	–	85
At 31 December 2023, net of accumulated depreciation	1,114	5,583	196	6,893
At 31 December 2023:				
Cost	1,473	7,702	347	9,522
Accumulated depreciation	(359)	(2,119)	(151)	(2,629)
Net carrying amount	1,114	5,583	196	6,893

14. LEASES

The Group as a lessee

The Group has lease contracts for its office premises used in its operations and a staff quarter. Leases of office premises and staff quarter have lease terms ranging from one to three years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	2024 **RMB'000**	2023 RMB'000
As at 1 January	**7,788**	590
Additions	**5,524**	9,025
Depreciation charge	**(3,477)**	(1,901)
Early termination of leases	**(5,253)**	–
Exchange realignment	**29**	74
As at 31 December	**4,611**	7,788

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 **RMB'000**	2023 RMB'000
Carrying amount at 1 January	**8,345**	677
New leases	**5,457**	8,927
Accretion of interest recognised during the year	**287**	176
Payments	**(3,709)**	(1,508)
Early termination of leases	**(5,714)**	–
Exchange realignment	**33**	73
Carrying amount at 31 December	**4,699**	8,345
Analysed into:		
Current portion	**2,903**	3,470
Non-current portion	**1,796**	4,875

14. LEASES *(Continued)*

(b) Lease liabilities *(Continued)*

	2024 RMB'000	2023 RMB'000
Analysed into lease liabilities repayable:		
Within one year	**2,903**	3,467
In the second year	**1,796**	3,440
In the third to fifth years, inclusive	**–**	1,438
	4,699	8,345

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	**287**	176
Depreciation charge of right-of-use assets	**3,477**	1,901
Gain on lease termination	**(461)**	–
Expense relating to short-term leases (included in administrative expenses)	**92**	1,991
Total amount recognised in profit or loss	**3,395**	4,068

(d) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

15. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets	–	26
Goodwill on acquisition	8,151	20,050
Amount due from an associate	–	4,221
	8,151	24,297
Impairment	(7,855)	(20,336)
	296	3,961

The amount due from an associate was unsecured, interest-free and repayable on demand.

During the year, three associates were deregistered and the loss on deregistration of associates of RMB185,000 was charged to the consolidated statement of profit and loss.

During the year ended 31 December 2023, RMB20,000 was recognised as an allowance for expected credit losses on an amount due from an associate.

The Group's trade receivable balances with the associates are disclosed in note 19 to the financial statements.

The Group's shareholdings in the associates all comprise equity shares held through wholly-owned subsidiaries of the Company.

As at 31 December 2023, Guangzhou Miaohu Technology Development Company Limited ("**Miaohu**") was considered as a material associate of the Group.

15. INTERESTS IN ASSOCIATES (Continued)

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest attributable to the Group	Principal activity
Guangzhou Miaohu Technology Development Company Limited ("**Miaohu**")	Ordinary shares (unlisted)	PRC/Mainland China	36.07	Provision of software and information technology services

Miaohu mainly involved in the provision of software and information technology services in the PRC. Miaohu was considered a material associate of the Group which, in the opinion of the directors of the Company, was strategic to the Group's development and operation of mobile game business and been accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information in respect of Miaohu, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2023 RMB'000
Current assets	37
Current liabilities	(4,198)
Net liabilities, excluding goodwill	(4,161)
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	36.07%
Unrecognised share of losses of associate	(4)
Cumulative unrecognised share of losses of associate	(964)
Group's share of net assets of the associate, excluding goodwill	–
Goodwill on acquisition (less cumulative impairment)	1,922
Carrying amount of the investment	1,922
Revenue	–
Loss and total comprehensive loss for the year	(11)

15. INTERESTS IN ASSOCIATES *(Continued)*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 **RMB'000**	2023 RMB'000
Share of the associates' loss for the year and share of the associates' total comprehensive loss	**(26)**	(36)
Unrecognised share of losses of the associates	**(3)**	(58)
Cumulative unrecognised share of losses of the associates	**(234)**	(231)
Aggregate carrying amount of the Group's interests in the associates	**296**	2,039

The Group assessed that there was indication that the carrying amount of interests in associates may be impaired as at 31 December 2024. The recoverable amounts of the associates are estimated based on a value-in-use calculation using discounted cash flow projections. The discounted cash flow projections were based on financial estimates approved by management, a discount for lack of marketability ("DLOM") and a discount rate which reflected specific risks relating to the associates. Cash flows were extrapolated using an estimated long term growth rate of 3%, with reference to certain external data. This rate did not exceed the average long-term growth rate for the relevant market.

The Group engaged independent professionally qualified valuers to assist in the determination of the value-in-use of the respective associates as at 31 December 2024 based on the cash flow projections using a DLOM of approximately 25% (2023: 25%) and a discount rate of 22.51% (2023: 20.18%) determined by reference to a weighted average cost of capital reflecting the specific risks of the associates (including, inter alia, its stage of development and other relevant factors), with reference to certain external data.

Discounted cash flow method was used in the determination of the value-in-use of the associates in the current year and prior year that, in the opinion of the directors, was appropriate in the current circumstances based on available inputs as the Group had more financial and operational information about the provision of software and information technology services to measure the value-in-use. The Group considered the discounted cash flow method as a generally acceptable valuation technique that incorporates more information about the future prospects of the associates for the determination of their recoverable amounts as at 31 December 2024.

Assumptions were used in the value-in-use calculation of the associates for 31 December 2024. The following describes key assumptions on which management has based its discounted cash flow projections to undertake impairment testing of interests in associates.

Estimated revenue/margins — The basis used to determine the value assigned to the estimated revenue/margins reflect the latest strategy and forecast taking into account expected economic, industry and market developments for the relevant market

15. INTERESTS IN ASSOCIATES *(Continued)*

Discount rate — The discount rate used is after tax and reflects specific risks relating to the associates

DLOM — The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investment

The challenging external environment and slower-than-expected recovery of relevant market in the current financial year became more apparent after the strategic planning and forecasting process that underpinned the current year impairment assessment, resulted in impairment of interests in associates for the year of approximately RMB1,532,000 based on the recoverable amount of the associates as at 31 December 2024 of approximately RMB296,000. The impairment loss was included in other expenses in the consolidated statement of profit or loss.

16. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 **RMB'000**	2023 RMB'000
Equity investments designated at fair value through other comprehensive income		
Unlisted equity investments, at fair value	**3,004**	6,421

The unlisted equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

In June 2024, one of the unlisted equity investments was deregistered, resulting in fair value loss of RMB3,276,000. The accumulated fair value losses recognised in other comprehensive income of RMB5,270,000 was transferred to accumulated losses.

17. GOODWILL

	RMB'000
Acquisition of a subsidiary (note 31)	**61,279**
At 31 December 2024	**61,279**
At 31 December 2024:	
Cost and net carrying amount	**61,279**

17. GOODWILL *(Continued)*

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit for impairment testing:

- ***Infinities Wonder Limited ("IWL Business"), established in PRC***

	2024 RMB'000
Carrying amount of goodwill — IWL Business	**61,279**

IWL Business

The recoverable amount of IWL Business cash-generating unit was determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 12.94% and cash flows beyond the five-year period were extrapolated using a growth rate of 2%, which was the same as the long term average growth rate of the mobile game development industry.

Assumptions were used in the value in use calculation of IWL Business cash-generating unit for 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue — The basis used to determine the budgeted revenue is based on management's expectation of when to launch mobile games and also the expectation of the future market. The growth rate of revenue was estimated based on information available at the time of assessment. Such information includes current industry overview and estimated market development of related products.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margin is the average gross margin expected to achieve in the year when to launch mobile games, increased for expected efficiency improvements and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions on market development of IWL Business and discount rates are consistent with external information sources.

18. INTANGIBLE ASSET

	Contract rights RMB'000
31 December 2024	
Acquisition of a subsidiary (note 31)	60,280
Amortisation provided during the year	(7,087)
At 31 December 2024	53,193
At 31 December 2024:	
Cost	60,280
Accumulated amortisation	(7,087)
Net carrying amount	53,193

19. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	**210,384**	130,016
Impairment	**(57,695)**	(45,263)
Net carrying amount	**152,689**	84,753

The Group's trading terms with its debtors are on credit. The credit periods range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables were amounts due from the Group's associates of RMB12,911,000 as at 31 December 2023, which were repayable on credit terms similar to those offered to the major debtors of the Group.

19. TRADE RECEIVABLES *(Continued)*

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 **RMB'000**	2023 RMB'000
Within 30 days	**30,153**	13,468
31 to 60 days	**16,113**	15,620
61 to 90 days	**3,268**	17,371
91 to 180 days	**30,758**	15,940
181 to 365 days	**70,268**	9,401
Over 365 days	**2,129**	12,953
Total	**152,689**	84,753

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 **RMB'000**	2023 RMB'000
At beginning of year	**45,263**	38,926
Amount written off as uncollectible	**–**	(5)
Impairment, net	**12,432**	6,342
At end of year	**57,695**	45,263

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

19. TRADE RECEIVABLES *(Continued)*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Credit-impaired receivables	**100%**	**54,122**	**(54,122)**
Other trade receivables aged:			
Current and less than 12 months past due	**1.3%**	**152,212**	**(1,940)**
Over 12 months past due	**40.3%**	**4,050**	**(1,633)**
		210,384	**(57,695)**

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Credit-impaired receivables	100%	41,694	(41,694)
Other trade receivables aged:			
Current and less than 12 months past due	3.5%	74,447	(2,605)
Over 12 months past due	6.9%	13,875	(964)
		130,016	(45,263)

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Prepayments	**70,840**	68,738
Receivables from the provision of advertisement traffic	**178,604**	–
Deposits and other receivables	**17,155**	12,391
	266,599	81,129
Less: Portion classified as non-current assets	**(6,945)**	(13,814)
Portion classified as current assets	**259,654**	67,315

The financial assets included in the above balances relate to deposits and receivables for which there was no recent history of default and past due amounts.

The movements in the loss allowance for impairment of receivables from the provision of advertisement traffic, deposits and other receivables are as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	**13,200**	13,237
Impairment/(reversal of impairment) *(note 6)*	**10,079**	(37)
At end of year	**23,279**	13,200

Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. As at 31 December 2024, the probability of default applied ranged from 0.19% to 12.23% (2023: 0.2% to 29.92%) and the loss given default was estimated to be 62% (2023: 62%).

21. CASH AND CASH EQUIVALENTS

	2024 **RMB'000**	2023 RMB'000
Cash and bank balances	**3,863**	37,211

The Group's cash and cash equivalents are denominated in the following currencies:

	2024 **RMB'000**	2023 RMB'000
RMB	**3,053**	10,399
HK$	**436**	22,162
USD	**374**	4,645
Japanese Yen	**–**	5
Total	**3,863**	37,211

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

22. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 **RMB'000**	2023 RMB'000
Within 1 month	**13,722**	9,708
1 to 2 months	**19,256**	13,622
2 to 3 months	**3,870**	7,384
Over 3 months	**92,883**	28,561
Total	**129,731**	59,275

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 90 days.

23. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities, which represented the amounts received in respect of the unsatisfied performance obligations as at the end of the reporting period and is expected to be recognised within one year:

	2024 RMB'000	2023 RMB'000
Multi-player mobile game revenue	**463**	14,758
Subscription fee of AIGC mobile app	**–**	2,037
Total	**463**	16,795

Movements in contract liabilities during the year are as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	**16,795**	2,368
Additions	**38,807**	186,391
Revenue recognised during the year	**(55,139)**	(171,964)
At end of year	**463**	16,795

24. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Payables for the procurement of advertisement traffic	**166,980**	–
Other payables	**21,090**	16,642
VAT payables	**13,341**	–
Other tax payables	**44**	26
Accruals	**11,398**	6,741
	212,853	23,409

Payables for the procurement of advertisement traffic and other payables are unsecured and non-interest-bearing and are normally settled on terms ranging from 30 to 120 days.

25. INTEREST-BEARING BANK BORROWINGS

	2024			2023		
	Contractual interest rate	**Maturity**	**RMB'000**	Contractual interest rate	Maturity	RMB'000
Current						
Bank loans — unsecured	**4.30%**	**2025**	**3,000**	–	–	–

Note:

The Group's bank borrowings are all denominated in RMB.

26. LOANS FROM FELLOW SUBSIDIARIES

	2024			2023		
	Contractual interest rate	**Maturity**	**RMB'000**	Contractual interest rate	Maturity	RMB'000
Current						
Loans from fellow subsidiaries — unsecured	**1.825%**	**2025**	**3,220**	1.825%	2024	100

Note:

The Group's loans from fellow subsidiaries are all denominated in RMB.

27. DEFERRED TAX

Deferred tax liabilities

The movements in deferred tax liabilities and assets during the year are as follows:

	Right-of-use assets RMB'000	Intangible asset RMB'000	Withholding taxes RMB'000	Total RMB'000
At 1 January 2023	–	–	2,164	2,164
Deferred tax charged to the statement of profit or loss during the year (note 10)	1,947	–	139	2,086
At 31 December 2023 and 1 January 2024	1,947	–	2,303	4,250
Acquisition of a subsidiary (note 31)	–	15,070	–	15,070
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	946	(1,772)	–	(826)
At 31 December 2024	**2,893**	**13,298**	**2,303**	**18,494**

27. DEFERRED TAX *(Continued)*

Deferred tax assets

	Lease liabilities
	RMB'000
At 1 January 2023	–
Deferred tax credited to the statement of profit or loss during the year (note 10)	1,947
At 31 December 2023 and 1 January 2024	1,947
Deferred tax credited to the statement of profit or loss during the year (note 10)	946
At 31 December 2024	**2,893**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024	2023
	RMB'000	RMB'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	**15,601**	2,303

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China to foreign shareholders in respect of earnings generated from 1 January 2008. The applicable rate is 10% for the Group.

At 31 December 2024, the directors of the Company estimated that part of the retained earnings of the PRC subsidiaries would be retained in Mainland China for use in future operations and investments. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future to their foreign shareholders. The aggregate amount of temporary differences associated with the investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised was approximately RMB78,282,000 (2023: RMB87,784,000) at 31 December 2024.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

27. DEFERRED TAX *(Continued)*

Deferred tax assets *(Continued)*

The Group had tax losses arising in Mainland China of RMB69,859,000 (2023: RMB71,271,000) that will expire in one to five years for offsetting against future taxable profits.

At the end of the reporting period, deferred tax assets in respect of these tax losses and deductible temporary differences not recognised are as follows:

	2024	2023
	RMB'000	RMB'000
Tax losses	**6,804**	9,356
Deductible temporary differences	**15,625**	11,922
Accruals	**84**	84
	22,513	21,362

Deferred tax assets have not been recognised in respect of the tax losses and deductible temporary differences as at the end of the reporting period as the directors consider it is currently not probable that future taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

28. ISSUED CAPITAL

	2024	2023
	RMB'000	RMB'000
Authorised:		
2,000,000,000 ordinary shares of HK$0.01 each	**18,015**	18,015
Issued and fully paid:		
734,301,174 (2023: 629,887,174) ordinary shares of HK$0.01 each	**6,650**	5,683

28. ISSUED CAPITAL *(Continued)*

A summary of movements in the Company's issued share capital during the period is as follows:

		Number of shares	Issued capital HK$'000	Equivalent to RMB RMB'000
At 1 January 2023		546,000,000	5,460	4,946
Issue of shares upon placing of shares	(a)	66,987,174	670	582
Issue of shares upon placing of shares	(b)	16,900,000	169	155
At 31 December 2023 and 1 January 2024		629,887,174	6,299	5,683
Issue of shares upon placing of shares	(c)	8,114,000	81	75
Issue of shares upon acquisition of a subsidiary	(d)	96,300,000	963	892
At 31 December 2024		**734,301,174**	**7,343**	**6,650**

Notes:

(a) On 2 May 2023, the Company allotted and issued a total of 66,987,174 new ordinary shares to not less than six independent placees at a price of HK$1.775 per share, representing approximately 12.27% of the existing issued share capital of the Company before the completion of the allotment and approximately 10.93% of the enlarged issued share capital of the Company.

(b) On 18 December 2023, the Company allotted and issued a total of 16,900,000 new ordinary shares to an individual placee at a price of HK$1.775 per share, representing approximately 2.76% of the existing issued share capital of the Company before the completion of the allotment and approximately 2.68% of the enlarged issued share capital of the Company.

(c) On 28 March 2024, the Company allotted and issued a total of 8,114,000 new ordinary shares to an individual placee at a price of HK$1.775 per share, representing approximately 1.29% of the existing issued share capital of the Company before the completion of the allotment and approximately 1.27% of the enlarged issued share capital of the Company.

(d) On 24 April 2024, the Company allotted and issued a total of 96,300,000 new ordinary shares to Infinities B&M Technology Limited, an intermediate holding company of the Company, at a price of HK$0.95 per share, representing 15.09% of the existing issued share capital of the Company before the completion of the allotment and 13.11% of the enlarged issued share capital of the Company.

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 87 of the financial statements.

(i) Other reserve

The other reserve represents the nominal value of the paid-up capital of Family Doctor prior to the reorganisation of the Group.

(ii) Statutory reserve funds

Pursuant to the relevant laws and regulations in Mainland China, a portion of the profits of the Company's subsidiaries which are established in the PRC has been transferred to the statutory reserve funds which are restricted as to use.

30. DISPOSAL OF SUBSIDIARIES

	Notes	2024 RMB'000
Net assets disposed of:		
Property, plant and equipment	13	**38**
Trade receivables		**2,907**
Prepayment, deposits and other receivables		**19,906**
Cash and cash equivalents		**676**
Trade payables		**(2,712)**
Other payables and accruals		**(21,271)**
Tax payable		**(37)**
Non-controlling interests		**223**
		(270)
Gain on disposal of subsidiaries	5	**3,945**
Total consideration		**3,675**
To be satisfied by:		
Cash		**3,675**

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries are as follows:

	2024 RMB'000
Cash consideration received (note)	**–**
Cash and bank balances disposed of	**(676)**
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	**(676)**

Note:

Pursuant to the sale and purchase agreement entered into between the Group and an independent third party, the Group disposed of its entire equity interests in certain PRC subsidiaries to the independent third party for cash consideration of RMB3,675,000 which shall be payable no later than 30 November 2025.

31. BUSINESS COMBINATION

On 24 April 2024, the Group acquired a 100% equity interest in Infinities Wonder Limited ("**IWL**") from an intermediate holding company of the Company. IWL is an investment holding company with 60% equity interest in Wande. Wande is principally engaged in the development of mobile gaming products. The acquisition was made as part of the Group's strategy to strengthen the diversification of products and expansion of business portfolio. The purchase consideration for the acquisition was in the form of allotment and issuance of 96,300,000 consideration shares of RMB84,761,000 on 24 April 2024.

The fair values of the identifiable assets and liabilities of IWL as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** RMB'000
Intangible asset	18	60,280
Cash and cash equivalents		323
Prepayments and other receivables		72
Other payables and accruals		(948)
Due to fellow subsidiaries		(5,520)
Deferred tax liabilities	27	(15,070)
Total identifiable net assets at fair value		39,137
Non-controlling interests		(15,655)
Goodwill on acquisition	17	61,279
Satisfied by allotment and issuance of shares		84,761

The fair values of the other receivables as at the date of acquisition were the same as the gross contractual amounts of other receivables.

The Group incurred transaction costs of RMB160,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash and cash equivalents acquired	323
Inflow of cash and cash equivalents included in cash flows from investing activities	323

31. BUSINESS COMBINATION *(Continued)*

Since the acquisition, IWL contributed RMB20,607,000 to the Group's revenue and a profit of RMB2,813,000 to the consolidated loss for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been RMB264,065,000 and RMB52,597,000, respectively.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB5,524,000 (2023: RMB9,025,000) and RMB5,457,000 (2023: RMB8,927,000), respectively, in respect of lease arrangement for office premises.

(b) Changes in liabilities arising from financing activities

	Lease liabilities RMB'000	Loans from a fellow subsidiary RMB'000	Loans from the ultimate holding company RMB'000	Interest-bearing bank borrowings RMB'000
At 1 January 2023	677	10,062	6,497	–
Changes from financing cash flows	(1,508)	(10,055)	(6,540)	–
New leases	8,927	–	–	–
Interest expense	176	93	43	–
Exchange realignment	73	–	–	–
At 31 December 2023 and 1 January 2024	**8,345**	**100**	**–**	**–**
Changes from financing cash flows	**(3,709)**	**3,071**	**–**	**2,918**
New leases	**5,457**	**–**	**–**	**–**
Early termination of leases	**(5,714)**	**–**	**–**	**–**
Interest expense	**287**	**49**	**–**	**82**
Exchange realignment	**33**	**–**	**–**	**–**
At 31 December 2024	**4,699**	**3,220**	**–**	**3,000**

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 **RMB'000**	2023 RMB'000
Within operating activities	**92**	1,991
Within financing activities	**3,709**	1,508
Total	**3,801**	3,499

33. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the year:

	Notes	**2024** **RMB'000**	2023 RMB'000
Fellow subsidiaries and the ultimate holding company			
Loan interest expense	26	**49**	136
Fellow subsidiaries			
Gaming products supply	(i)	**27,974**	45,612
NGA Franchise Transactions	(ii)	**2,406**	421
		30,429	46,169

(i) The Group and Infinities Cayman entered into a supply agreement, pursuant to which the Group would supply gaming consoles, console games, and related merchandise and accessories to Infinities Cayman and its subsidiaries.

33. RELATED PARTY TRANSACTIONS *(Continued)*

(a) *(Continued)*

(ii) On 23 June 2023, the Group and Infinities Cayman entered into the NGA exclusive franchise agreement, pursuant to which the Group purchases the exclusive right from Infinities Cayman to use the trademark of NGA and to provide the NGA Services, which include but not limited to maintain and develop web pages, application software, registered trademarks, corporate logos, patents, proprietary technologies, etc. related to the actual operation of the business under the brand of NGA, for the period from 1 July 2023 to 31 December 2025.

The related party transactions in respect of item (i) and (ii) also constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules. Further details of such transactions are disclosed in the section headed "Continuing Connected Transactions" in the Report of the Directors.

(b) Outstanding balances with related parties:

Details of the Group's amount due from an associate and trade receivable balances with its associates as at 31 December 2023 are included in notes 15 and 19, respectively, to the financial statements.

Details of the Group's loans from fellow subsidiaries are included in note 26 to the financial statements.

(c) Compensation of key management personnel of the Group

Remuneration for key management personnel of the Group, including directors' and chief executives' remuneration as disclosed in note 8 to the financial statements, is as follows:

	2024 **RMB'000**	2023 RMB'000
Short-term employee benefits	**4,450**	3,950
Post-employment benefits	**306**	235
Total compensation paid to key management personnel	**4,756**	4,185

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2024

Financial assets

	Financial assets at fair value through other comprehensive income		
	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	3,004	–	3,004
Trade receivables	–	152,689	152,689
Financial assets included in prepayments, deposits and other receivables	–	195,759	195,759
Cash and cash equivalents	–	3,863	3,863
	3,004	352,311	355,315

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	129,731
Financial liabilities included in other payables and accruals	180,045
Lease liabilities	4,699
Interest-bearing bank borrowings	3,000
Loans from fellow subsidiaries	3,220
	320,695

34. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2023

Financial assets

	Financial assets at fair value through other comprehensive income		
	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	6,421	–	6,421
Amount due from an associate	–	3,989	3,989
Trade receivables	–	84,753	84,753
Financial assets included in prepayments, deposits and other receivables	–	11,136	11,136
Cash and cash equivalents	–	37,211	37,211
	6,421	137,089	143,510

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	59,275
Financial liabilities included in other payables and accruals	8,617
Lease liabilities	8,345
Loan from a fellow subsidiary	100
	76,337

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Financial assets				
Equity investments designated at fair value through other comprehensive income	**3,004**	6,421	**3,004**	6,421

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, amount due from an associate, trade payables, financial liabilities included in other payables and accruals, lease liabilities, loans from fellow subsidiaries and Interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of unlisted equity investments designated at fair value through other comprehensive income are estimated based on the price multiple determined with reference to comparable public companies and include appropriate risk adjustments for lack of marketability.

The fair value of an unlisted equity investment designated at fair value through other comprehensive income was estimated by using the asset-based approach, which was based on assumptions that were not supported by observable market prices or rates.

Below is a summary of significant unobservable inputs to the valuation of the unlisted equity investments used in Level 3 fair value measurements as at 31 December 2024 and 2023:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted equity investments	Market approach	Enterprise value-to-sales multiple	2.67 (2023: 2.67)	When multiple increases/decreases by 0.5, the fair value will be increased/decreased by RMB28,470 and RMB28,470 (2023: RMB47,180 and RMB47,180), respectively.
		Discount for lack of marketability ("**DLOM**")	25% (2023: 25%)	When DLOM increases/decreases, the fair value will be decreased/increased.
Unlisted equity investment	Asset-based approach	Not applicable	Not applicable	Not applicable

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Equity investments designated at fair value through other comprehensive income	**–**	**–**	**3,004**	**3,004**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	–	–	6,421	6,421

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value: *(Continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	Financial assets at fair value through other comprehensive income RMB'000
At 1 January 2023	8,324
Total losses recognised in the statement of other comprehensive income	(1,903)
At 31 December 2023 and 1 January 2024	6,421
Total losses recognised in the statement of other comprehensive income	(3,417)
At 31 December 2024	**3,004**

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 and 2023.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 (2023: Nil).

During the year, there were no transfers into or out of Level 3 for both financial assets and financial liabilities.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, loans from fellow subsidiaries and interest-bearing bank borrowings. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as equity investments designated at fair value through other comprehensive income, amount due from an associate, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, lease liabilities and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees the policies for managing each of these risks and they are summarised below.

Credit risk

The Group mainly transacts with creditworthy third parties. Receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	210,384	210,384
Financial assets included in prepayments, deposits and other receivables					
— Normal **	194,721	–	–	–	194,721
— Doubtful **	–	3,682	20,635	–	24,317
Cash and cash equivalents					
— Not yet past due	3,863	–	–	–	3,863
	198,584	3,682	20,635	210,384	433,285

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging *(Continued)*

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	130,016	130,016
Financial assets included in prepayments, deposits and other receivables					
— Normal **	3,691	–	–	–	3,691
— Doubtful **	–	9,310	11,335	–	20,645
Amount due from an associate					
— Not yet past due	4,221	–	–	–	4,221
Cash and cash equivalents					
— Not yet past due	37,211	–	–	–	37,211
	45,123	9,310	11,335	130,016	195,784

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as 30% (2023: 40%) and 79% (2023: 76%) of the Group's trade receivables were due from the Group's largest debtor and the three largest debtors, respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors its risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from fellow subsidiaries. The Group aims to maintain sufficient cash and cash equivalents to meet its liquidity requirements.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk *(Continued)*

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2024

	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	129,731	–	–	129,731
Financial liabilities included in other payables and accruals	180,045	–	–	180,045
Lease liabilities	760	2,281	1,828	4,869
Loans from fellow subsidiaries	–	3,220	–	3,220
Interest-bearing bank borrowings	–	3,000	–	3,000
Interest payments on interest-bearing bank and other borrowings	32	94	–	126
	310,568	8,595	1,828	320,991

2023

	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	59,275	–	–	59,275
Financial liabilities included in other payables and accruals	8,617	–	–	8,617
Lease liabilities	991	2,765	5,032	8,788
Loan from a fellow subsidiary	–	100	–	100
	68,883	2,865	5,032	76,780

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to continue to provide returns for shareholders and benefits for other stakeholders.

The Group actively and regularly reviews and manages its capital structure and strives to maintain a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

Capital of the Group comprises all components of shareholders' equity.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Investment in subsidiaries	**84,761**	–*
Right-of-use assets	**828**	1,447
Property, plant and equipment	**592**	914
Prepayments and deposits	**3,465**	13,193
Total non-current assets	**89,646**	15,554
CURRENT ASSETS		
Prepayments, deposits and other receivables	**15,356**	23,364
Trade receivables	**10,285**	16,088
Due from subsidiaries	**85,435**	49,363
Cash and cash equivalents	**420**	21,590
Total current assets	**111,496**	110,405
CURRENT LIABILITIES		
Trade payables	**686**	761
Lease liabilities	**704**	655
Other payables and accruals	**14,955**	8,415
Total current liabilities	**16,345**	9,831
NET CURRENT ASSETS	**95,151**	100,574
TOTAL ASSETS LESS CURRENT LIABILITIES	**184,797**	116,128
NON-CURRENT LIABILITIES		
Lease liabilities	**211**	889
Net assets	**184,586**	115,239
EQUITY		
Issued capital	**6,650**	5,683
Reserves *(note)*	**177,936**	109,556
Total equity	**184,586**	115,239

* Amounts less than RMB1,000

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium account RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	130,168	(6,946)	(100,190)	23,032
Loss and total comprehensive loss for the year	–	–	(30,346)	(30,346)
Exchange differences on translation	–	2,646	–	2,646
Issue of shares upon placing of shares	129,999	–	–	129,999
Share issue expenses	(15,775)	–	–	(15,775)
At 31 December 2023 and 1 January 2024	**244,392**	**(4,300)**	**(130,536)**	**109,556**
Loss and total comprehensive loss for the year	**–**	**–**	**(31,291)**	**(31,291)**
Exchange differences on translation	**–**	**2,917**	**–**	**2,917**
Issue of shares upon placing of shares	**13,217**	**–**	**–**	**13,217**
Share issue expenses	**(332)**	**–**	**–**	**(332)**
Issue of shares upon acquisition of a subsidiary	**83,869**	**–**	**–**	**83,869**
At 31 December 2024	**341,146**	**(1,383)**	**(161,827)**	**177,936**

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

Definitions

"AIGC"	artificial intelligence generated content
"ARPPU"	average gross receipts per paying user, calculated by dividing the average gross receipts during a certain period by the MPUs during the same period
"Articles" or "Articles of Association"	the amended and restated articles of association of the Company adopted on 30 June 2022 with effect from 5 July 2022, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Auditor"	Ernst & Young, the auditor of the Company
"Board" or "Board of Directors"	the board of Directors of the Company
"Board Diversity Policy"	the Board diversity policy of the Company
"Catalog"	Guidelines Catalog of Industries of Foreign Investment (2017 Revision)* (外商投資產業指導目錄(2017年修訂))
"Cayman Islands"	the Cayman Islands
"Chairman"	the chairman of the Board
"Chengdu Bashi"	Chengdu Dianwan Bashi Commerce Company Limited* (成都電頑巴士商貿有限公司)
"Chengdu Benying"	成都犇贏互娛科技有限公司 (Chengdu Benying Interactive Entertainment Technology Company Limited), a company established under the laws of the PRC with limited liability on 30 June 2022 and by virtue of the Contractual Arrangements, accounted for as our subsidiary owned as to 95% and 5% by Mr. Zhou Wenbo and Mr. Han Xin
"Chengdu Zhile"	成都指樂互動科技有限公司 (Chengdu Zhile Interactive Technology Company Limited), a company established under the laws of the PRC with limited liability on 24 June 2022 and by virtue of the Contractual Arrangements, accounted for as our subsidiary owned as to 95% and 5% by Mr. Liu Chang and Mr. Wang Hengzhi
"China", "PRC" or "Mainland China"	the People's Republic of China excluding, for the purpose of this annual report, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company", "the Company" or "our Company"	Infinities Technology International (Cayman) Holding Limited (多牛科技國際(開曼)集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands under the Cayman Islands Companies Law on 5 February 2018, whose Shares became listed on the Main Board of the Stock Exchange on the Listing Date
"Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto in the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying and their subsidiaries
"Contractual Arrangement(s)"	the series of contractual arrangements entered into between WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying and the Relevant Shareholders, details of which are set out in the section headed "Contractual Arrangements"
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 (formerly Appendix 14) to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Directors"	director(s) of our Company
"distribution channel provider"	in relation to mobile games, include operators of game website, search engine, telecommunication operator app store, manufacturer-specific app store, advertising alliance
"Emperor"	Emperor Interactive Entertainment Development Company Limited (九尊互娛發展有限公司)
"Equity Pledge Agreement"	the equity pledge agreement entered into among WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chendu Wanxiang and the Relevant Shareholders, details of which are set out in the section headed "Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — Equity Pledge Agreement" in the Prospectus
"Executive Director(s)"	executive director(s) of the Company
"Financial Statements"	audited consolidated financial statements of the Company for the year ended 31 December 2024
"First Placing"	placing of new shares under general mandate on 2 May 2023
"Second Placing"	placing of new shares under general mandate on 18 December 2023
"Third Placing"	placing of new shares under general mandate on 28 March 2024
"FY2023"	the financial year ended 31 December 2023
"FY2024"	the financial year ended 31 December 2024
"Group", "the Group", "we" or "us"	the Company and its subsidiaries, collectively

"Guangzhou Jiu Zun"	廣州市九尊數娛科技發展有限公司 (Guangzhou Jiu Zun Digital Entertainment Technology Development Company Limited*), a company established under the laws of the PRC with limited liability on 13 April 2018 and by virtue of the Contractual Arrangements, accounted for as our subsidiary owned as to 32.26%, 26.88%, 26.88%, 7.53% and 6.45% by Mr. Liang Junhua, Zhuhai Hengqin Yingming Investment, Zhuhai Hengqin Chenghe Investment, Mr. Xu and Ms. Zhang
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Non-executive Director(s)"	independent non-executive Director(s) of the Company
"Infinities B&M"	Infinities B&M Technology Limited
"Infinities Cayman"	Infinities Technology (Cayman) Holding Limited
"Infinities Global"	Infinities Global Technology Limited Partnership
"Infinities Technology Group"	Infinities Technology Group* (多牛科技集團)
"Infinities Worldwide"	Infinities Worldwide Technology Limited
"Intellectual Property Transfer and Licence Agreement"	the intellectual property transfer and licence agreement entered into between WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chendu Wanxiang and the Relevant Shareholders, details of which are set out in the section headed "Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangement — Intellectual Property Transfer and Licence Agreement" in the Prospectus
"IPO"	initial public offering of the Shares on the Stock Exchange
"Irrevocable Option Agreement"	the irrevocable option agreement entered into among WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chendu Wanxiang and the Relevant Shareholders, details of which are set out in the section headed "Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — Irrevocable Option Agreement" in the Prospectus
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	The date which dealings in Shares first commence on the Stock Exchange, i.e. 17 March 2020
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

"Management Services Agreement"	the management services agreement entered into among WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chendu Wanxiang and the Relevant Shareholders, details of which are set out in the section headed "Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — Management Services Agreement" in the Prospectus
"MPU(s)"	monthly paying users
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules
"Mr. Xu"	Mr. Xu Guangming (徐光明), the beneficial owner of 7.53% equity interest in Guangzhou Jiu Zun
"Mr. Lu"	Mr. Lu Jian (呂建)
"Ms. He"	Ms. He Junhong (何軍紅), the spouse of Mr. Lu
"Ms. Su"	Ms. Su Shaoping (蘇少萍)
"Ms. Zhang"	Ms. Zhang Li (張麗), the beneficial owner of 6.45% equity interest in Guangzhou Jiu Zun
"NGA"	National Geographic of Azeroth
"Nomination Committee"	the nomination committee of the Board
"Nomination Policy"	the Company's policy for the nomination of Directors
"Non-executive Director(s)"	non-executive director(s) of the Company
"Placing Announcement I"	the announcement of the Company in relation to the First Placing dated 2 May 2023
"Placing Announcement II"	the announcement of the Company in relation to the Second Placing dated 18 December 2023
"Placing Announcement III"	the announcement of the Company in relation to the Third Placing dated 28 March 2024
"Pledged Equity Interests"	the Relevant Shareholders agreed to pledge all the their respective equity interests
"Powers of Attorney"	the powers of attorney
"Prospectus"	the prospectus issued by the Company dated February 27, 2020
"publishing platform"	comprise websites and apps for distribution of our digital media content operated by the largest telecommunication services provider, which can be accessed by a user account and the user account is registered by the email address with a mobile phone number registered with the largest telecommunication operator in the PRC

"R&D"	research and development
"Relevant Shareholders"	(i) Mr. Liang Junhua, Zhuhai Hengqin Chenghe Investment, Zhuhai Hengqin Yingming Investment, Mr. Xu and Ms. Zhang, all of whom are registered shareholders of Guangzhou Jiu Zun; (ii) Liu Chang and Wang Hengzhi, all of whom are registered shareholders of Chengdu Zhile; (iii) Zhou Wenbo and Han Xin, all of whom are registered shareholders of Chengdu Benying; and (iv) Liu Chang and Wang Hengzhi, all of whom are registered shareholders of Chengdu Wanxiang
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reorganisation"	the reorganisation of the Target Company and its subsidiaries
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on 21 February 2020 for the benefit of our Directors, members of senior management, employees and other eligible participants defined in the scheme
"Share Purchase Agreement"	a share purchase agreement entered into between the Company and Infinities B&M on 8 September 2023
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in the Listing Rules
"Target Company"	Infinities Wonder Limited
"USD" or"US$"	United States dollars, the lawful currency of the United States
"virtual item(s)"	virtual item(s) which enhance the players' gaming experience, by, for example, enhancing the powers, abilities or attractiveness
"Voting Rights Proxy Agreement and Powers of Attorney"	the voting rights proxy agreement and powers of attorney entered into among WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying, Chengdu Wanxiang and the Relevant Shareholders, details of which are set out in the section headed "Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — Voting Rights Proxy Agreement and Powers of Attorney" in the Prospectus

"WFOE"	廣州市九尊互娛科技發展有限公司 (Guangzhou Jiu Zun Interactive Entertainment Company Limited*), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of our Company, and 上海愛德頑科技有限公司 (Shanghai Aidewan Technology Company Limited*), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of our Company, as the case may be
"Zhuhai Hengqin Jiancheng Investment"	珠海橫琴建成投資中心 (Zhuhai Hengqin Jiancheng Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Ms. Su
"Zhuhai Hengqin Jianhe Investment"	珠海橫琴建禾投資中心 (Zhuhai Hengqin Jianhe Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Ms. Su
"Zhuhai Hengqin Jianming Investment"	珠海橫琴建明投資中心 (Zhuhai Hengqin Jianming Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Mr. Lu
"Zhuhai Hengqin Jianying Investment"	珠海橫琴建盈投資中心 (Zhuhai Hengqin Jianying Investment Center*), a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Ms. He
"Zhuhai Hengqin Chenghe Investment"	珠海橫琴成禾投資中心(有限合夥) (Zhuhai Hengqin Chenghe Investment Center (Limited Partnership)*), a limited partnership established in the PRC on 16 November 2015 with 99.90% and 0.10% capital contribution by Zhuhai Hengqin Jiancheng Investment and Zhuhai Hengqin Jianhe Investment respectively
"Zhuhai Hengqin Yingming Investment"	珠海橫琴盈明投資中心(有限合夥) (Zhuhai Hengqin Yingming Investment Center (Limited Partnership)*), a limited partnership established in the PRC on 16 November 2015 with 99.90% and 0.10% capital contribution by Zhuhai Hengqin Jianming Investment and Zhuhai Hengqin Jianying Investment respectively
"%"	per cent

* The English name is translated for reference purpose only in this Annual Report