



2025 Annual Report IGG INC

Stock Code: 799

Incorporated in the Cayman Islands with limited liability

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zongjian Cai (*Chairman and chief executive officer*)
Mr. Yuan Xu
Mr. Hong Zhang
Ms. Jessie Shen
Mr. Feng Chen

Non-executive Director

Mr. Yuan Chi

Independent Non-executive Directors

Mr. Kam Wai Man
Ms. Feng Li
Mr. Tan Hup Foi (appointed on 28 May 2025)
Dr. Horn Kee Leong (resigned on 28 May 2025)

BOARD COMMITTEES

Audit Committee

Mr. Kam Wai Man (*Chairman*)
Ms. Feng Li
Mr. Tan Hup Foi (appointed on 28 May 2025)
Dr. Horn Kee Leong (resigned on 28 May 2025)

Nomination Committee

Mr. Tan Hup Foi (*Chairman*)
(appointed on 28 May 2025)
Mr. Zongjian Cai
Mr. Kam Wai Man
Ms. Feng Li
Dr. Horn Kee Leong (resigned on 28 May 2025)

Remuneration Committee

Ms. Feng Li (*Chairman*)
Mr. Zongjian Cai
Mr. Kam Wai Man

JOINT COMPANY SECRETARIES

Ms. Jessie Shen
Ms. Yin Ping Yvonne Kwong (*FCG, HKFCG*)

AUTHORISED REPRESENTATIVES

Mr. Zongjian Cai
Ms. Jessie Shen
Ms. Yin Ping Yvonne Kwong

REGISTERED OFFICE

P.O. Box 31119, Grand Pavilion, Hibiscus Way
802 West Bay Road, Grand Cayman
KY1-1205 Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

20 Pasir Panjang Road
#11-28 Mapletree Business City
Singapore 117439

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

AUDITOR

KPMG
Certified Public Accountants
(*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*)

CORPORATE INFORMATION

LEGAL ADVISER AS TO HONG KONG LAWS

Jingtian & Gongcheng LLP

LEGAL ADVISER AS TO PRC LAWS

Jingtian & Gongcheng

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman, KY1-1100
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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183 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

www.igg.com

PRINCIPAL BANKS

Citibank N.A. Singapore Branch
Standard Chartered Bank (Singapore) Limited
The Hongkong and Shanghai Banking Corporation
Limited

INVESTOR RELATIONS CONSULTANTS

Strategic Financial Relations Limited

CHAIRMAN'S STATEMENT

In 2025, despite a challenging and unpredictable geopolitical and market environment, we delivered solid results. The Group achieved annual revenue of HK\$5.5 billion and net profit of nearly HK\$590 million in 2025, a stable performance compared to 2024. The market has experienced intense competition and significant consolidation. While many competitors have entered in the strategy game ("SLG") sector over the years, our commitment to a long-term strategy has allowed us to build an enduring, diversified product portfolio that delivers stable growth and sustainability.

We now have a diversified portfolio of "legacy, mid-generation, and new" game titles, and our APP Business. Notably, our mid-generation title "Doomsday: Last Survivors" has displayed accelerated growth after years of development, consistently setting new monthly gross billing records and driving the Group's growth in 2026.

AN ENDURING FOUNDATION, A DECADE OF EXCELLENCE

In 2016, we released our classic title "Lords Mobile", which creatively blends strategy and role-playing genres. The game achieved a significant 10-year milestone this year. Over the past decade, we have continually integrated market-leading features into the game's proven framework, sustaining its vitality. "Lords Mobile" has generated cumulative revenue of nearly HK\$35 billion to date, establishing itself as a benchmark for longevity in the industry and solidifying the Group's position as a prominent player in the SLG sector. A decade of dedicated operations has yielded outstanding results, and we are committed to driving continued success over the next ten years for "Lords Mobile".

MID-GENERATION TITLES RAMP UP TO CONTINUE THE MOMENTUM

In 2021, our pursuit of innovation led us to blend strategy and tower defense gameplay in "Doomsday: Last Survivors", continuing the momentum established by "Lords Mobile". The game maintained solid performance in its fourth year of operation, with monthly gross billings reaching a new record of HK\$130 million¹ in 2026, demonstrating accelerated growth. In 2022, we launched the Viking-themed title "Viking Rise", exploring a novel combination of strategy and simulation gameplay. Since its launch three years ago, "Viking Rise" has consistently delivered solid results. Together with "Doomsday: Last Survivors", these mid-generation titles now form the backbone of our portfolio.

¹ The monthly gross billing of "Doomsday: Last Survivors" as of January 31, 2026.

CHAIRMAN'S STATEMENT

NEW TITLE POISED FOR FUTURE GROWTH

In 2025, our new title “Fate War” launched globally and was featured on Apple’s App Store and Google Play Store for its creative integration of strategy and simulation gameplay and exceptional visual quality. Following the launch, we continued to enhance player experience and long-term performance metrics. Moving into 2026, we will scale up marketing efforts for “Fate War” to unlock new growth potential for the Group.

APP BUSINESS GEARS UP FOR PLATFORM DEVELOPMENT

Following a decade of exploration and research and development, the APP Business achieved significant breakthroughs and established a product portfolio of more than 10 applications over the past two years, accounting for 19% of the Group’s revenue. In 2025, the APP Business generated annual revenue of HK\$1.06 billion and net profit of over HK\$100 million. We are now focused on expanding our user base and strengthening our traffic pool to gear up for platform development.

PROSPECT

Artificial Intelligence (“AI”) technology has been rapidly evolving over the past few years. We embraced this trend early, implementing AI solutions internally a couple of years ago, particularly across development and operations. This initiative has yielded significant cost savings and efficiency gains. AI has now evolved into an intelligent assistant to our staff, broadening perspectives and empowering us to shape the future together.

Entering 2026, we celebrate our 20th anniversary. Embracing the corporate spirit of “Innovators at Work, Gamers at Heart”, we continue to create exceptional products and user experiences.

Zongjian Cai
Chairman and Executive Director

25 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PRESENCE

Established in 2006, IGG is a renowned developer and publisher of mobile games and applications with a strong global presence and an international customer base. Leveraging its success in client and browser PC online games, the Group changed its strategy to target the mobile games market in 2013. After years of effort, the Group's mobile games are now available in 23 different languages worldwide with approximately 1.6 billion users in total and nearly 17 million monthly active users ("MAU"). Following a decade of sustained development, the APP Business has gained significant momentum in recent years and has emerged as an important business division of the Group. Embracing our corporate spirit of "Innovators at Work, Gamers at Heart", the Group is dedicated to creating high-quality and enjoyable games and applications that will stand the test of time.

IGG is headquartered in Singapore with local offices in the United States, China, Canada, Japan, South Korea, Thailand, the Philippines, Indonesia, Brazil, Türkiye, Italy and Spain, and users from more than 200 countries and regions worldwide. Over the years, IGG has aggressively pursued a strategy of globalisation in R&D and operations, establishing long-term relationships with over 100 business partners, including global platforms, advertising channels, and vendors such as Apple, Google, and Meta. The Group's international presence and partnerships have enhanced its competitive advantage in the industry.

BUSINESS REVIEW

In 2025, the Group recorded a stable annual revenue of HK\$5.5 billion. Despite a slight year-on-year fluctuation in revenue, the Group successfully maintained full-year profit at nearly HK\$590 million (comprising approximately HK\$570 million in net profit from the Group's core business (non-IFRS measure) and nearly HK\$20 million from investments) through refined management and business structure optimisation, demonstrating strong profitability and risk resilience. Notably, mid-generation titles "Doomsday: Last Survivors" and "Viking Rise" maintained solid momentum and achieved new revenue highs in their third year of operation. In 2025, "Doomsday: Last Survivors" and "Viking Rise" contributed approximately HK\$1.14 billion and HK\$720 million, respectively, representing year-on-year increases of 12% and 6%. The APP Business generated revenue of HK\$1.06 billion. Together, these three contributors accounted for 53% of the Group's revenue in 2025, reflecting the continued success of its diversified growth strategy. In addition, "Lords Mobile", IGG's flagship title, reached its 10-year milestone and made a significant revenue contribution of HK\$2.17 billion. During the Year, revenue from Asia, Europe and North America accounted for 41%, 36% and 19%, respectively, of the Group's total revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

“Lords Mobile”

“Lords Mobile”, IGG’s blockbuster title, reached its 10-year milestone during the Year. It is the Group’s first cross-platform, multi-language game that integrates strategy, role-playing, and real-time competitive gameplay. Lauded by Sensor Tower for its longevity¹, it is designed for a global audience. It has received widespread acclaim from gamers and consistently generates stable revenue for the Group. During the Year, “Lords Mobile” launched a series of IP collaborations, including the film “Pacific Rim”, the game “Angry Birds”, and, more recently, original fantasy characters created by “tokidoki” co-founder and artist Simone Legno, injecting renewed vitality and immersive gameplay. As the bedrock of the Group’s operations, “Lords Mobile” delivered revenue of HK\$2.17 billion, consistently contributing stable cash flow to the Group.

“Doomsday: Last Survivors”

The mid-generation game “Doomsday: Last Survivors” sustained its solid momentum and entered a new stage of growth in its third year of operation. During 2025, “Doomsday: Last Survivors” enhanced gameplay through the launch of new battlefield and squad equipment features. The game also collaborated with the renowned manga IP “Attack on Titan” which was well-received by its nearly 100 million users. In 2025, the game contributed revenue of HK\$1.14 billion. The title continued its upward trajectory, with monthly gross billings reaching record highs starting from December at HK\$130 million², demonstrating strong user engagement and future growth.

“Viking Rise”

“Viking Rise”, the Group’s other mid-generation Viking-themed title, also contributed solid results. During 2025, the game introduced hybrid-casual combat gameplay, collaborated with renowned IP “How to Train Your Dragon (Live Action)”, and rolled out offline competitions to strengthen engagement and social interaction among players. As of 31 December 2025, the game had 67 million registered users and revenue of HK\$720 million, representing a 6% year-on-year increase.

New game

“Fate War”, a new strategy game released in 2025, established a new growth trajectory. Upon launch, the game was prominently featured on Apple’s App Store and Google Play Store worldwide because of its unique blend of simulation and strategy gameplay. This recognition validates the title’s exceptional quality and builds strong momentum for future revenue growth. As of 31 December 2025, the game achieved monthly gross billing of HK\$30 million³, with approximately 4.7 million registered users and 1.2 million MAU.

¹ “Lords Mobile” was awarded “Best Evergreen Strategy Game” at the Sensor Tower APAC Awards 2025.

² Monthly gross billing as of December 31, 2025 and January 31, 2026, respectively.

³ Monthly gross billing for December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

APP Business

Leveraging its global operational expertise and a base of more than 1 billion users, the Group established a second growth curve through its APP Business. Contributing 19% of the Group's revenue, this business validates the Group's user acquisition and monetisation capabilities beyond gaming, delivering genuine business diversification. In 2025, it generated revenue of HK\$1.06 billion and net profit of over HK\$100 million. As at 2025, the APP Business had more than 67 million MAU, representing a year-on-year increase of 8%.

Investments

The principal objective of the Group's investments is to broaden its ecosystem perspective and capture emerging opportunities. By investing in private equity funds with outstanding performance and portfolios focused on Internet-related businesses, the Group aims to deepen its presence in the Internet industry and identify new growth drivers for long-term development. During the Year, the Group recorded gains on investments of approximately HK\$19 million due to fair-value changes of investees.

PROSPECTS

Looking ahead to 2026, the Group has established a solid foundation for growth: the core gaming portfolio continues to serve as a strong growth driver, with "Doomsday: Last Survivors" expected to maintain its strong performance trajectory; "Fate War", the Group's new title, is entering a harvest period and will progressively generate enhanced revenue contributions; and the APP Business represents a well-defined secondary growth curve. The Group will continue to deepen its global operational excellence and advance the coordinated development of its diversified product matrix, with the objective of generating enduring, sustainable value for shareholders.

KEY FINANCIAL INFORMATION

	Year ended 31 December	
	2025	2024
	HK\$' 000	HK\$' 000
Revenue	5,497,009	5,737,114
Cost of revenue	(936,571)	(1,126,244)
Other net gains	89,499	6,394
Selling and distribution expenses	(2,769,292)	(2,811,049)
Administrative expenses	(316,623)	(348,735)
Research and development expenses	(844,122)	(787,408)
Profit for the year	585,755	582,580
Including: Net profit for core business (non-IFRS measure)	566,714	655,542
Gains/(losses) on investments	19,041	(72,962)
Profit for the year attributable to equity shareholders of the Company	580,493	580,676
Adjusted net income (non-IFRS measure)	615,690	607,011

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2025 was HK\$5,497 million, representing a minor decrease of 4% compared to HK\$5,737 million for the year ended 31 December 2024. Notably, the mid-generation titles of "Doomsday: Last Survivors" and "Viking Rise" maintained solid momentum, contributing approximately HK\$1,141 million and HK\$724 million, respectively, representing year-on-year increase of 12% and 6%.

The following table sets forth a breakdown of the Group's revenue for the years ended 31 December 2025 and 2024, respectively:

	Year ended 31 December			
	2025		2024	
	HK\$' 000	%	HK\$' 000	%
Games:				
"Lords Mobile"	2,165,251	39	2,588,892	45
"Doomsday: Last survivors"	1,140,570	21	1,020,890	18
"Viking Rise"	723,884	13	679,725	12
Other games	405,432	8	359,248	6
APP Business	1,061,872	19	1,088,359	19
Total	5,497,009	100	5,737,114	100

Cost of revenue

The Group's cost of revenue for the year ended 31 December 2025 was HK\$937 million, representing a decrease of 17% compared to HK\$1,126 million for the year ended 31 December 2024, primarily due to the decrease in operating costs of the Group.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2025 was HK\$4,560 million, representing a slight decrease of 1% compared to HK\$4,611 million for the year ended 31 December 2024, primarily due to the decrease in the Group's revenue during the Year.

The Group's gross profit margin for the year ended 31 December 2025 was 83%, representing an increase of 3 percentage points as compared to 80% for the year ended 31 December 2024. The increase in gross profit margin was primarily due to the decrease in the Group's operating costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Other net gains

The Group's other net gains for the year ended 31 December 2025 were approximately HK\$89 million, representing an increase of approximately 13 times from HK\$6 million for the year ended 31 December 2024, primarily due to the increase in fair value of invested companies and funds. More details on other net gains are set out in note 5 to the financial statements, and details on the Group's investments are set out below in the "Investments" section.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2025 were HK\$2,769 million, representing a slight decrease of 1% compared with HK\$2,811 million for the year ended 31 December 2024. During the Year, the Group adopted a long-term business strategy for promotion, with a focus on long-term profitability. The selling and distribution expenses-to-revenue ratio for the Year was 50%, representing a slight increase of 1 percentage point as compared with 49% in 2024.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2025 were HK\$317 million, representing a decrease of 9% compared with HK\$349 million for the year ended 31 December 2024. Such decrease was primarily attributable to optimisation of cost structure. The administrative expenses-to-revenue ratio for the Year was 6%, remaining stable as compared with 2024.

Research and development expenses

The Group's research and development expenses for the year ended 31 December 2025 were HK\$844 million, representing an increase of 7% compared with HK\$787 million for the year ended 31 December 2024. Such increase was primarily due to several new incubation projects during the Year, which led to an increase in the Group's research and development headcount. The research and development expenses-to-revenue ratio for the Year was 15%, representing a slight increase of 1 percentage point as compared with 14% in 2024.

Share of results of associates and joint ventures

The Group's share of results of associates and joint ventures for the year ended 31 December 2025 was a net gain of HK\$0.6 million, representing a sharp decrease compared with HK\$13 million for the year ended 31 December 2024. This was primarily due to the decrease in recognised share of profits from certain associates and joint ventures. Further details are set out in note 11, Assets Held for Sale, and note 17, Interests in Associates and Joint Ventures, to the financial statements. Details on the Group's investments are set out below in the "Investments" section.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expenses

The Group's income tax expenses for the year ended 31 December 2025 were HK\$132 million, representing an increase of 36% compared with HK\$97 million for the year ended 31 December 2024. The increase in income tax expenses was due to a tax refund approved by the tax authorities and recognised in 2024, which reduced the income tax expense for the prior year.

Capital expenditures

During the Year, the Group's capital expenditures were incurred for the construction of a self-use office building in Fuzhou, China, renovation of offices in various regions, purchases of servers and computers, and purchases of software. Capital expenditures for the years ended 31 December 2025 and 2024 are set forth as below:

	Year ended 31 December	
	2025	2024
	HK\$' 000	HK\$' 000
Acquisition of property, plant and equipment:		
Office premises and renovations [#]	133,956	119,075
Servers and computers	20,847	13,011
Purchase of intangible assets:		
Software	1,517	1,789

[#] This expenditure mainly represents a portion of the final construction payments and renovation costs for the self-use office building in Fuzhou paid during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, capital resources and gearing ratio

As at 31 December 2025, the Group had net current assets of HK\$1,840 million (31 December 2024: HK\$1,613 million). The Group's gearing ratio, calculated as total liabilities divided by total assets, was 25.3% (31 December 2024: 29.3%).

As at 31 December 2025, the Group had cash and cash equivalents of HK\$2,414 million (31 December 2024: HK\$2,246 million).

Except for lease liabilities set out in note 24 to the financial statements, the Group did not have any bank borrowings or other financing borrowings as at 31 December 2025 and 31 December 2024.

The table below sets forth selected cash flow data from the consolidated cash flow statement:

	Year ended 31 December	
	2025	2024
	HK\$' 000	HK\$' 000
Net cash generated from operating activities	682,763	1,120,857
Net cash used in investing activities	(122,274)	(122,920)
Net cash used in financing activities	(399,244)	(205,328)
Net change in cash and cash equivalents	161,245	792,609
Cash and cash equivalents as at 1 January	2,245,666	1,469,752
Effect of foreign exchange rate changes	7,364	(16,695)
Cash and cash equivalents as at 31 December	2,414,275	2,245,666

Operating activities

Net cash inflow from operating activities amounted to approximately HK\$683 million for the year ended 31 December 2025, as compared with HK\$1,121 million for the year ended 31 December 2024. The decrease in net cash inflow from operating activities during the Year was primarily attributable to a decrease in revenue and increases in research and development expenses and tax payments.

MANAGEMENT DISCUSSION AND ANALYSIS

Investing activities

Net cash outflow used in investing activities was HK\$122 million for the year ended 31 December 2025, and net cash outflow for the year ended 31 December 2024 was HK\$123 million. The cash outflow used in investing activities was primarily attributable to payments for construction and renovation costs in connection with the self-use office building in Fuzhou, China.

Financing activities

Net cash outflow used in financing activities amounted to HK\$399 million for the year ended 31 December 2025, and net cash outflow for the year ended 31 December 2024 was HK\$205 million. The cash outflow used in financing activities was primarily attributable to the payment of dividends, share repurchase, and payments of lease rentals classified as financing activities.

Foreign currency risk

The Group's sales and purchases during the Year were mostly denominated in USD and SGD. The management team closely monitors foreign exchange exposure to ensure that appropriate measures are implemented in a timely and effective manner. Historically, the Group has not incurred any significant foreign currency exchange loss in its operation.

Legal compliance

As the Group is continuously expanding its businesses worldwide, it is required to comply with the new applicable laws and regulations in different jurisdictions that are specifically relevant to the Group's business, such as laws relating to data protection, internet information security, intellectual property and gaming industry.

Protecting users' personal data is the top priority of operations, and the Group is fully aware that any misuse, loss or leakage of users' data could have a negative impact on affected users and the Group's reputation, and may even lead to potential legal action against the Group. The Group is committed to safeguarding the security of users' personal data. In this regard, the update of privacy policy and the treatment and control measures of users' personal data form part of this commitment. When collecting and processing such data, the Group explains the purpose of the acquired data and obtains consents from users. Users also have rights to request to modify or delete their personal data. In addition, information security keeps the personal data anonymous to the maximum extent possible through effective management systems. The Group also employs internal processing mechanisms of data management, separation of access and restrictions on access, to ensure the highest level of protection of personal data.

For further details, please refer to the section headed "Corporate Social Responsibility Report – 6.6 Information Security and Personal Data Protection" in this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

The Board remains committed to enhancing returns to its shareholders through prudent and strategic repurchases of Shares and maintaining regular and stable cash dividend payments. The Board also tries to meet investors' expectations in sharing the profits of the Group by paying special dividends from time to time in alignment with the dividend policy. As a gesture of appreciation to the Company's investors for their support and after taking into account the Group's operating performance, the needs for future growth and available reserves, the Board has resolved to declare a second interim dividend of HK6.7 cents per ordinary Share, and a special dividend of HK47.7 cents per ordinary Share for the year ended 31 December 2025, totalling HK54.4 cents per ordinary Share. Together with the interim dividend and special dividend of HK13.9 cents per ordinary Share paid in September 2025, the total dividends for the year ended 31 December 2025 amounted to HK68.3 cents per ordinary Share, representing an aggregate amount of approximately HK\$784 million (for the year ended 31 December 2024: HK14.9 cents per ordinary Share, with an aggregate amount of approximately HK\$175 million).

Share repurchase

The Group had repurchased 26,086,000 Shares during the Year at an aggregate cost of HK\$107 million. Taking into account the declared dividends attributable to the Year of approximately HK\$784 million, the total amount of share repurchases and declared dividends was approximately HK\$891 million, representing 152% of the profit for the Year. (For the year ended 31 December 2024: the Group repurchased 13,602,000 Shares, amounting to HK\$47 million, the aggregate amount of share repurchases and declared dividends represented 38% of the profit for the year ended 31 December 2024.)

Human resources

As at 31 December 2025, the Group had 2,321 employees (31 December 2024: 2,028).

The Group's total staff-related costs amounted to HK\$981 million for the year ended 31 December 2025 (for the year ended 31 December 2024: HK\$935 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Investments

As at 31 December 2025, the Group's investments were HK\$554 million (as at 31 December 2024: HK\$580 million), including interests in associates and joint ventures, financial assets at fair value through profit or loss and assets held for sale.

The Group has established appropriate risk management, monitoring and approval mechanisms, with clearly defined investment limits in place. Risks and performance are assessed on a comprehensive basis, taking into account factors such as investment amount, payback period and liquidity. The Group conducts ongoing monitoring of the operating performance and changes in the valuation of investees. Investment projects falling within the authority delegated by the Board are approved and implemented by an Investment Committee comprising members of management, while investments exceeding such authority are subject to review and approval by the Board.

Details of the Group's investments are set out in notes 11, 17 and 18 to the financial statements.

Details of gains/(losses) on investments for the years ended 31 December 2025 and 2024 are set out below:

	Year ended 31 December	
	2025	2024
	HK\$' 000	HK\$' 000
Fair value changes and gains on disposal of other financial assets and dividend income		
– Griffin Gaming Partners, L.P.	(5,618)	(10,028)
– MFund, L.P.	24,494	(48,213)
– Other funds and equity investments	25,253	(1,351)
Impairment loss on interests in associates	(25,735)	(26,511)
Net gains on disposal and deemed disposal of associates and joint ventures	–	15
Share of results of associates and joint ventures	647	13,126
Total	19,041	(72,962)

MANAGEMENT DISCUSSION AND ANALYSIS

Private equity funds

As at 31 December 2025, the Group held private equity funds at fair value through profit or loss amounting to approximately HK\$335 million, mainly comprised of MFund, L.P. and Griffin Gaming Partners, L.P., which are set out below:

Name of investee company	Percentage of interests held by the Group	Investments	Investments	Fair value	Fair value	Unrealised gain/(loss) on change in fair value for the Year (exchange gain or loss included)	Realised gain for the Year	Dividend received/receivable during the Year
		cost as at 31 December 2024	cost as at 31 December 2025	as at 31 December 2024	as at 31 December 2025	(exchange gain or loss included)	gain for the Year	received/ receivable during the Year
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
MFund, L.P. ("MFund")	4.71%	23,286	23,286	114,458	134,903	20,445	-	4,340
Griffin Gaming Partners, L.P. ("Griffin")	5.44%	89,532	92,332	99,404	96,815	(5,389)	-	-

The Group first entered into a limited partnership agreement with MFund, an Independent Third Party private equity fund, in 2014. The Group, as a limited partner, undertook to subscribe for the share of assets in MFund at a sum of US\$3.0 million (equivalent to HK\$23.29 million), representing approximately 4.37% of the interests in MFund#. MFund has a diversified investment portfolio, including equity investments in the mobile internet industry, which is in alignment with the Group's strategic investment objectives. The investment cost and fair value of the Group's interests in MFund comprised approximately 0.50% and 2.90% of the total assets of the Group as at 31 December 2025, respectively.

The Group first entered into a limited partnership agreement with an Independent Third Party private equity fund to subscribe for interests in Griffin in 2019. Griffin mainly focuses on investment in gaming related companies worldwide, and its investment portfolio is in line with the Group's strategic investment objectives. Subsequently in 2020, the Group entered into a subscription increase letter, pursuant to which the Group's total commitment in Griffin amounted to US\$12.0 million (equivalent to approximately HK\$93.30 million), representing an aggregate interest of approximately 5.44%. As at 31 December 2025, the Group had contributed US\$11.88 million (equivalent to approximately HK\$92.33 million) to Griffin, and the investment cost and fair value of the Group's interests in Griffin comprised approximately 1.98% and 2.08% of the total assets of the Group, respectively.

Save as disclosed above, there were no other material investments held by the Group as at 31 December 2025.

Due to the fund partner shareholding changes, the Group's interest raised to 4.71%.

MANAGEMENT DISCUSSION AND ANALYSIS

Material acquisitions and disposals of subsidiaries and associates and joint ventures

Except for assets held for sale as set out in note 11 to the financial statements, for the years ended 31 December 2025 and 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures. More details on investments in associates and joint ventures are set out in note 17 to the financial statements.

To optimise the Group's asset portfolio and facilitate capital utilisation focused on its core business, the Group plans to dispose of 100% share capital in Renaissance Management Srl (the "**Potential Disposal**"), a wholly owned subsidiary of the Company. This subsidiary holds a historical complex known as Palazzo Magnani Feroni in Borgo S. Frediano 5, Florence, 50124, Italy. As at the date of this report, the Group has not entered into any legally binding agreement in relation to the Potential Disposal. The Potential Disposal may or may not proceed. If the Potential Disposal materialises, it may constitute a disclosable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate.

Save as disclosed above, the Group has no future plans for material investments or capital assets acquisitions as at the date of this report.

Capital commitments

	As at 31 December	
	2025	2024
	HK\$' 000	HK\$' 000
Investment contracts	29,471	3,726
Construction of self-use office building	–	41,970
Acquisition of fixed assets	–	1,088
Total	29,471	46,784

As at 31 December 2025, the Group had capital commitments of HK\$29 million, which was mainly related to a balance due regarding the contracted amount of investments in the mobile internet and gaming related funds (31 December 2024: HK\$47 million).

Pledge on assets

Except for restricted deposits as set out in note 21 to the financial statements, no asset of the Group was pledged as a security for bank borrowing or any other financing activities as at 31 December 2025 and 31 December 2024.

Contingent liabilities

The Group had no contingent liabilities as at 31 December 2025 (31 December 2024: nil).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Zongjian Cai (蔡宗建), aged 48, was appointed as an executive Director of the Company on 31 October 2007 and is the chairman of the Board and chief executive officer of the Group. Mr. Cai is one of the Founders of the Group and is primarily responsible for the corporate strategic planning and overall business development of the Group. Mr. Cai also acts as a director of the Company's subsidiaries, Skyunion Hong Kong Holdings Limited and OptiMobi. Mr. Cai has approximately 26 years of experience in the online game industry. He worked at Fujian NetDragon Websoft Co., Ltd.* (福建網龍計算機網絡信息技術有限公司), as a vice president from May 2000 to November 2003 and piloted the development of 17173.com. Mr. Cai also worked as the chief executive officer of 17173.com, which was acquired by Sohu.com Inc., a company listed on NASDAQ (Stock Code: SOHU), from November 2003 to January 2005 and a consultant for both Beijing Sohu New Era Information Technology Co., Ltd.* (北京搜狐新時代信息技術有限公司) and 17173.com from January 2005 to June 2005. Mr. Cai graduated from Fuzhou University (福州大學) with a college diploma in computer and accounting in June 1998.

Mr. Yuan Xu (許元), aged 51, was appointed as an executive Director of the Company on 21 August 2015 and is the Group's chief operating officer. Mr. Xu has approximately 26 years of experience in corporate management. He joined the Group in September 2007 and is primarily responsible for global operation strategies of the Group. Prior to joining the Group, Mr. Xu worked as a graduate researcher at University of California, Santa Cruz, from September 1999 to July 2004. He also worked at Nanoconduction Inc. as a project leader from September 2004 to June 2007. Mr. Xu graduated from Beijing University of Technology (北京工業大學) with a bachelor's degree in applied physics in July 1998. He also graduated from University of California, Santa Cruz, with a degree of doctor of philosophy in electrical engineering in June 2004.

Mr. Hong Zhang (張斌), aged 54, was appointed as an executive Director of the Company on 21 August 2015 and is the Group's chief technology officer. Mr. Zhang has approximately 29 years of experience in the information technology industry. He joined the Group in December 2008 and is primarily responsible for the overall technology operation of the Group. Prior to joining the Group, Mr. Zhang worked at Charles Schwab as a senior staff technology from August 2000 to November 2005. He was also employed by Corporate Computer Services Inc. from November 2005 to November 2008 as a software engineer, assigned to Barclays Global Investors as an information technology consultant. Mr. Zhang graduated from Zhejiang University (浙江大學) with a bachelor's degree in engineering in June 1994, a master's degree in engineering in June 1997. He also graduated from University of California, San Francisco, with a master's degree in science in September 2000.

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Jessie Shen (沈潔菁), aged 55, was elected as an executive Director on 3 June 2016 and is the Group's chief financial officer and one of the joint company secretaries. Ms. Shen also acts as a director of the Company's subsidiaries, IGG Taiwan Ltd., IGG Capital, IGG Capital Limited, and IGG (Hainan) Capital. Ms. Shen has approximately 29 years of experience in accounting and corporate management. She was appointed as the chief financial officer of the Group on 10 November 2014. She joined the Group in March 2009 as the senior vice president of finance and has been primarily responsible for corporate finance, legal and listing compliance matters of the Stock Exchange. Prior to joining the Group, she worked as an auditor at Diwan, Ernst & Young from July 1992 to August 1994, and a finance associate manager of Aurora Corporation, a company listed on the Taiwan Stock Exchange (Stock Code: 2373), from March 1995 to March 1998 and from August 2001 to January 2002. Ms. Shen also held finance and company secretary positions at Rock Mobile Group from January 2003 to March 2007. She worked at Neo Solar Power Corp., a company listed on Taiwan Stock Exchange (Stock Code: 3576), as a finance manager from December 2007 to March 2009. Ms. Shen graduated from Tunghai University with a bachelor's degree in accounting in June 1992. She also graduated from Rutgers, The State University of New Jersey with a master's degree in business administration in October 1999. Ms. Shen passed the examination of American Institute of Certified Public Accountants (AICPA), Certified Public Accountant examination in Taiwan, Certified Internal Auditor examination by the Institute of Internal Auditors, and the certification examination by Taiwan Institute of Internal Auditors.

Mr. Feng Chen (陳豐), aged 53, was elected as an executive Director on 3 June 2016 and was one of the individual investors investing in the Company prior to the listing of the Company on the Stock Exchange in 2013. In April 2014, Mr. Chen joined the Company as the senior vice president of corporate strategy and has been responsible for leading several strategic investments made by the Company in external startups and internal incubated projects. Mr. Chen also acts as a director of the Company's subsidiaries, Skylines Investment Holdings Pte. Ltd., SkyScape Investment Holdings Pte. Ltd., IGG Capital, IGG Capital Limited, IGG (Hainan) Capital, and OptiMobi. Mr. Chen also acts as a director of the Company's joint venture, Tap Media Technology Inc., as well as a director of the Company's associates, Fujian Tianzhi Internet Information Technology Co., Ltd.* (福建天志互聯信息科技股份有限公司) and Fuzhou Yunding Network Technology Co., Ltd.* (福州雲頂網絡科技有限公司). Prior to joining the Company, from July 1996 to August 2001, Mr. Chen served as a senior design engineer at Broadcom Corporation (currently known as Broadcom Ltd.), an American fabless semiconductor company, and was responsible for the development of one of the world's first DOCSIS standard compliant cable modem chipset. From May 2002 to June 2007, Mr. Chen served various positions at NetDragon Websoft Holdings Limited (網龍網絡控股有限公司), an online game developer and operator in the PRC listed on the Stock Exchange (Stock Code: 777), including the senior vice president of overseas business development. In August 2007, Mr. Chen founded Ingle Games Ltd., a publisher that aimed at publishing MMORPG games developed by Chinese game developers in the western market, and served as the chief executive officer of Ingle Games Ltd. from August 2007 to December 2010. From March 2011 to March 2014, Mr. Chen served as the senior vice president of overseas development at 91.com, a mobile internet distribution platform in the PRC. Mr. Chen graduated from University of California, Los Angeles with a Master of Science Degree in electrical engineering in 1995.

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Mr. Yuan Chi (池元), aged 69, was re-designated as a non-executive Director on 21 August 2015. Mr. Chi is one of the Founders of the Group and also acts as a director of the Company's subsidiary, Skyunion Hong Kong Holdings Limited. Mr. Chi has approximately 28 years of experience in the information technology industry. Prior to joining the Group, Mr. Chi worked as the general manager of Fujian Window Network Information Co., Ltd.* (福建之窗網絡信息有限公司) (www.66163.com) from April 1998 to June 2007. He was the vice president of Fujian Rongji Software Co., Ltd.* (福建榕基軟件股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002474), from November 2000 to September 2003. Mr. Chi also worked at Fujian NetDragon Websoft Co., Ltd.* (福建網龍計算機網絡信息技術有限公司), from October 2003 to November 2007. Mr. Chi graduated from Fuzhou University (福州大學) with a bachelor's degree in water resources and hydropower engineering in July 1982 and a master's degree in hydraulic structure in March 1990.

Independent Non-executive Directors

Mr. Kam Wai Man (甘偉民), aged 51, was appointed as an independent non-executive Director on 29 June 2023. Mr. Kam has over 22 years of working experience in corporate finance. He has served as a managing director of Innovax Capital Limited ("Innovax Capital") and been a responsible officer of Innovax Capital for Type 6 regulated activities (advising on corporate finance) under the SFO since 2017, and he is also one of the sponsor principals of Innovax Capital. From April 2003 to November 2005, Mr. Kam served as a licensed representative at Kingsway Capital Limited. He then worked at China Everbright Capital Limited from November 2005 to February 2017 with his last position being the managing director and head of the corporate finance department. Mr. Kam has been an independent non-executive director of Duiba Group Limited (Stock code: 1753) since April 2019 and Haosen Fintech Group Limited (formerly known as Wealthy Way Group Limited) (Stock code: 3848) since January 2020, both of which are companies listed on the Stock Exchange. He obtained a bachelor of arts (honors) in business studies from City University of Hong Kong in November 1997 and a Postgraduate Diploma in Professional Accountancy from the Chinese University of Hong Kong in December 2004. Mr. Kam is a member of the Hong Kong Institute of Certified Public Accountants and a CFA Institute charterholder.

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BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Feng Li (李鳳), aged 62, was appointed as an independent non-executive Director on 29 May 2024. Ms. Li has approximately 32 years of experience in enterprise management, 10 years of experience as a university teacher and 20 years of experience as a volunteer in public welfare organisations. Ms. Li has been serving as the executive director of Fujian Boyi Consultation Co., Ltd.* (福建博奕諮詢有限公司) since 1994. She served as the general manager of Fujian Chuanli Animation Technology Development Co Ltd* (福建傳立動漫科技開發有限公司) from 2008 to 2015. Ms. Li served as the leader of education business at NetDragon Websoft Inc.* (網龍網絡有限公司) from April 2004 to January 2006. She also served as a teacher in the department of business enterprise management at Fujian Jiangxia College* (福建江夏學院) (formerly known as Fujian Economic Management Cadres College* (福建經濟管理幹部學院)) from 1985 to 1994. Since 2006, she has been a volunteer mentor in the Fujian Youth Entrepreneurship Promotion Association* (福建青年創業促進會) (an NGO), and in 2015, she received the Mentor of the Year Award from the “Youth Business International (YBI)” in Dubai, which is a globally unique award. Currently, her social position is one of the first batch of 10,000 outstanding innovation and entrepreneurship mentors recognised by the Ministry of Education of the People’s Republic of China. Ms. Li graduated from the Department of Agricultural Economics at Fujian Agriculture and Forestry University* (福建農林大學), the People’s Republic of China (formerly known as Fujian College of Agriculture* (福建農學院)) in 1985 with a bachelor’s degree specialised in the management and economics.

Mr. Tan Hup Foi (陳合火) (alias: Mr. Tan Hup Hoi), aged 75, was appointed as an independent non-executive Director on 28 May 2025. He has over 31 years of vast experience in enterprise management, the transportation industry and public affiliations. He has been serving as the chairman of Caring Fleet Services Limited since January 2010. Mr. Tan served as, among others, a chairman of Orita Sinclair School of Design and Music Pte. Ltd., a private education institution, from March 2010 to December 2024, the chief executive officer of Trans-Island Bus Services Ltd. (now known as SMRT Buses Ltd.) from December 2001 to October 2005, having previously held the position of managing director at the same company from 1994 to 2001, and the deputy president of SMRT Corporation Ltd. from March 2003 to October 2005. He also served in various capacities at public affiliations, including, among others, (i) board member of the Institute of Technical Education Board of Governors from 1998 to 2004; (ii) chairman of the Ngee Ann Polytechnic Council from 2004 to 2011; (iii) member of Public Transport Council from 1994 to 2003; (iv) vice-president of International Association of Public Transport (UITP) from 2001 to 2005; (v) chairman of UITP Asia-Pacific Division from 2001 to 2005; and (vi) a member of the NTUC-U Care Fund Board of Trustees from 2011 to 2022. Since 2005, Mr. Tan has been an Honorary Vice-President of International Public Transport Association (UITP) and an Honorary Chairman of UITP Asia Pacific Division. In addition to the above, Mr. Tan currently holds or held directorships in the following listed companies in the past three years preceding the date of this annual report:

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Period	Name of company	Position
April 2024 – present	Intraco Limited, listed on Singapore Stock Exchange (stock code: I06)	independent non-executive director
January 2022 – present	17LIVE Group Limited, listed on Singapore Stock Exchange (stock code: LVR)	independent non-executive director
November 2020 – present	Credit Bureau Asia Limited, listed on Singapore Stock Exchange (stock code: TCU)	independent non-executive director
April 2006 – July 2024	CSC Holdings Limited, listed on Singapore Stock Exchange (stock code: C06)	independent non-executive director

Mr. Tan was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1996 and the Public Service Star (Bintang Bakti Masyarakat) in 2008 by the President of the Republic of Singapore. He was also honored with the Singapore National Productivity Award in 2002.

Mr. Tan was also a Colombo Plan scholar. He graduated from the National University of Singapore with a Master of Science in Industrial Engineering in 1979, and a Bachelor of Engineering (Hons) from Monash University in 1975.

SENIOR MANAGEMENT

Mr. Zongjian Cai, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Jessie Shen and Mr. Feng Chen are also members of senior management. Please refer to their biography details in the subsection headed “Executive Directors” above.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view towards being a transparent and responsible organisation which is open and accountable to the Shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, while focusing on areas such as internal control and risk management, as well as fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company.

The Company believes that effective corporate governance is essential to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

The Company is committed to maintaining high standards of corporate governance in the best interests of Shareholders. During the year ended 31 December 2025, except for the deviation from code provision C.2.1 of the Corporate Governance Code, the Company has complied with the code provisions of the Corporate Governance Code.

Under code provision C.2.1 of the Corporate Governance Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The Group does not at present separate the roles of the chairman and chief executive officer. Mr. Zongjian Cai is the chairman and chief executive officer of the Group. He has extensive experience in online game industry and is responsible for the overall corporate strategic planning and business development of the Group. The Board considers that vesting the roles of chairman and chief executive officer in the same individual can provide strong leadership to the Group and ensures efficient execution of corporate plans and objectives. In addition, the balance of power and authorities is ensured by the composition of the Board, which comprises experienced and high caliber individuals. The Board currently comprises five executive Directors, one non-executive Director and three independent non-executive Directors, who would be able to offer advice from different perspectives. All major decisions are made by the Board members in consultation with the management team of the Company. Based on the above, the Board considers that the current arrangement has appropriate checks and balance of power in place to safeguard the interest of the Group and the Shareholders as a whole.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The overall management of the Company's operation is vested in the Board. The Board takes overall responsibilities to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategic development of the Group, monitoring and controlling the Group's operation and financial performance, internal control and risk management systems, and monitoring of the performance of the management team of the Group. The Directors have to make decisions objectively in the interests of the Company.

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the management team of the Company. The delegated functions and work tasks are periodically reviewed by the Board.

The Board currently comprises nine Directors, consisting of five executive Directors, Mr. Zongjian Cai (the chairman of the Board), Mr. Yuan Xu, Mr. Hong Zhang, Ms. Jessie Shen and Mr. Feng Chen, one non-executive Director, Mr. Yuan Chi, and three independent non-executive Directors, Mr. Kam Wai Man, Ms. Feng Li, and Mr. Tan Hup Foi. All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director is suitably qualified for his/her position, and has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently.

To the best knowledge of the Company, there is no other financial, business or family relationship among the members of the Board. The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

During the year ended 31 December 2025, the Company has complied with Rule 3.10(1) of the Listing Rules to appoint at least three independent non-executive Directors. In addition, at least one independent non-executive Director possesses appropriate professional accounting qualifications or financial management expertise in accordance with Rule 3.10(2) of the Listing Rules. The Company has appointed three independent non-executive Directors representing one-third of the Board and is in compliance with Rule 3.10A of the Listing Rules.

CORPORATE GOVERNANCE REPORT

Board Diversity Policy

The Board first adopted a board diversity policy in September 2013 which is subject to annual review to ensure that diversity and inclusion are given serious consideration in the succession planning, selection and nomination of the Board. The latest board diversity policy was reviewed and adopted in March 2022. The board diversity policy sets out the basic principles to ensure that the Board has the requisite knowledge of the Company and experience in different business and cultural conditions of different regions and markets and a variety of perspectives necessary to maintain and enhance the overall effectiveness of the Board and taking account of succession planning. All Board appointments will continue to be made on a merit basis based on the Group's business needs from time to time while taking into account the benefit of diversity. The Company will ensure that the Board has a balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. Selection of board candidates will be based on a range of factors with reference to the Company's business needs, including but not limited to age, gender, nationality, educational background, industry and professional experience. The nomination committee of the Board will select board members in accordance with the Company's nomination policy and will also give consideration to the board diversity policy. The Board and the nomination committee of the Board have set measurable objectives for the implementation of the board diversity policy to ensure that the Board has the appropriate balance in the above aspects of diversity, and review the board diversity policy periodically to ensure its continued effectiveness.

Taking into account the nature and scope of the Group's business, the nomination committee of the Board is of the opinion that the current Board has sufficient element of independence and is well-balanced in terms of gender, age, nationality, professional experience, skills and knowledge, to support the execution of business strategy and maintain the effectiveness of the Board. There are two female Directors, accounting for 22% of the Board. The Company considers the current gender ratio satisfies the Company's board diversity policy. Please refer to the section headed "7.1 Equal Employment" in Corporate Social Responsibility Report for diversity in the workforce (including senior management). The gender distribution of the Group's employees reflects characteristics of the game industry, with 34% of females as at 31 December 2025.

Model Code

During the year ended 31 December 2025, the Company has also adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code regarding directors' securities transactions during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

Independent Non-Executive Directors

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at Board meetings and scrutinising the Group's performance. Their views carry significant weight in the Board's decisions, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control. All independent non-executive Directors possess strong academic background, professionalism and industry expertise and management experience and have provided their professional advice to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of Shareholders can be taken into account, to protect the interests of the Company and its Shareholders.

The Board has three independent non-executive Directors with one of the independent non-executive Directors, Mr. Kam Wai Man, possessing appropriate financial management expertise in compliance with the requirements set out in Rule 3.10(2) of the Listing Rules.

Mechanisms to ensure that independent views and input are available to the Board include but not limited to engaging external experts to assist the Directors to perform their duties. The independent non-executive Directors met with the external auditors twice a year in the absence of any members of the Company's management. The Company seeks formal annual confirmations of independence from each of the existing independent non-executive Directors. When considering whether an independent non-executive director should be proposed for re-election, and whether a potential candidate for independent non-executive director is qualified, the Nomination Committee and the Board will assess whether the director or candidate is able to bring independent views to the Board on a case-by-case basis, with reference to the Director's professional qualifications and experience in related industries. The Board annually reviews the implementation and effectiveness of such mechanisms, and considers the mechanisms' implementation effective during the Year.

Based on the contents of independence confirmations and assessments, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

Training and Support for Directors

All Directors must keep abreast of their collective responsibilities. Prior to appointment, any newly appointed Directors would receive an induction package on the Group's operations and businesses, their roles and responsibilities, governance policies and the statutory and regulatory duties of a director of a listed company. The Directors have been informed of the requirement under code provision of the Corporate Governance Code regarding continuous professional development. According to the records provided by the Directors, the current Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the Corporate Governance Code on continuous professional development for the year ended 31 December 2025:

Name of Director	Corporate Governance (include anti-corruption)/Updates on Laws, Rules and Regulations		Accounting/Financial/Management or Other Professional Skills	
	Read Materials	Attend Seminars/Briefings	Read Materials	Attend Seminars/Briefings
<i>Executive Directors</i>				
Mr. Zongjian Cai (Chairman and chief executive officer)	√	√	√	√
Mr. Yuan Xu	√	√	√	√
Mr. Hong Zhang	√	√	√	√
Ms. Jessie Shen	√	√	√	√
Mr. Feng Chen	√	√	√	√
<i>Non-executive Director</i>				
Mr. Yuan Chi	√	√	√	√
<i>Independent non-executive Directors</i>				
Mr. Kam Wai Man	√	√	√	√
Ms. Feng Li	√	√	√	√
Mr. Tan Hup Foi (appointed on 28 May 2025)	√	√	√	√
Dr. Horn Kee Leong (resigned on 28 May 2025)	√	√	√	√

CORPORATE GOVERNANCE REPORT

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

Dividend Policy

The Board adopted the dividend policy on 29 December 2018 in order to enhance transparency of the Company and facilitate shareholders and investors to make informed investment decisions. The Board is committed to providing sustained dividends to the Shareholders, and the dividend policy sets the foundation for a prudent and disciplined dividend payment to shareholders while preserving the Company's liquidity to capture future growth opportunities. The Board will determine the level of dividends after considering the factors of the Company including (i) the results of operations, (ii) cash flows, (iii) future prospects, (iv) financial condition, (v) economic and political conditions of the business environment, (vi) share buy-back and (vii) the statutory and regulatory restrictions on the payment of dividends and other factors that the Board may consider to be relevant. The Board will review the dividend policy as appropriate to ensure its continued effectiveness from time to time. The Board will also continue to consider Shareholders' return of capital by using share buy-back as an opportunity to increase earnings per share.

Meetings

The Board meets to discuss the overall strategy as well as the operation and financial performance of the Group from time to time. Directors may participate either in person or through electronic means of communications. During the year ended 31 December 2025, 10 Board meetings and one general meeting were held.

The individual attendance records of each Director at the Board meetings and the general meeting of the Company held during the year ended 31 December 2025 is set out below:

Name of Director	Attendance/ Number of Board Meetings eligible to attend	Attendance/ Number of General Meeting eligible to attend
<i>Executive Directors</i>		
Mr. Zongjian Cai (<i>Chairman and chief executive officer</i>)	10/10	1/1
Mr. Yuan Xu	10/10	1/1
Mr. Hong Zhang	10/10	1/1
Ms. Jessie Shen	10/10	1/1
Mr. Feng Chen	10/10	1/1
<i>Non-executive Director</i>		
Mr. Yuan Chi	10/10	1/1

CORPORATE GOVERNANCE REPORT

Name of Director	Attendance/ Number of Board Meetings eligible to attend	Attendance/ Number of General Meeting eligible to attend
<i>Independent non-executive Directors</i>		
Mr. Kam Wai Man	10/10	1/1
Ms. Feng Li	10/10	1/1
Mr. Tan Hup Foi (appointed on 28 May 2025)	6/6	–
Dr. Horn Kee Leong (resigned on 28 May 2025)	4/4	1/1

All Directors are provided with relevant materials relating to the matters brought before the meetings. They have separate and independent access to the management team and the company secretary of the Company at all times and may seek independent professional advice at the Company's expense. Where queries are raised by Directors, steps would be taken to respond as promptly and comprehensively as possible. All Directors have the authority to include matters in the agenda for Board meetings. Notices are given to the Directors at least 14 days before Board meetings and the procedures for Board meetings comply with the Articles of Association, as well as relevant rules and regulations.

Appointments, Re-election and Removal of Directors

Each of the executive Directors has entered into a service contract with the Company for a specific term of three years commencing from the date of the respective service contracts and will automatically continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Each of the non-executive Director and independent non-executive Directors has entered into a service contract with the Company for a specific term of three years commencing from the date of the respective service contracts and will automatically continue for another three years thereafter until terminated by not less than two months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

The Directors are subject to retirement by rotation and re-election at an annual general meeting of the Company at least once every three years in accordance with the Articles of Association.

CORPORATE GOVERNANCE REPORT

The Articles of Association provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first annual general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. No Director proposed for election/re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

As a standard practice of the Group, prior to appointment, any newly appointed Directors would receive an induction package on the Group's operations and businesses, their roles and responsibilities, governance policies and the statutory and regulatory duties of a director of a listed company. Mr. Tan Hup Foi who was appointed on 28 May 2025, had completed compliance training and confirmed that he had obtained the legal advice referred to in Rule 3.09D on 14 May 2025 and he understood his obligations as a Director of the Company.

Board Committees

The Board has established (i) audit committee; (ii) remuneration committee; and (iii) nomination committee, with defined terms of reference. The terms of reference of the Board committees which explain their respective role and the authority delegated to them by the Board are available on the website of the Company at www.igg.com and the website of the Stock Exchange at www.hkexnews.hk. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expense.

Audit Committee

The Board has established an audit committee (the "**Audit Committee**") on 5 December 2008, with written terms of reference in compliance with the Listing Rules. The terms of reference were amended on 29 December 2018 with reference to the changes relating to Corporate Governance Code. The primary duties of the Audit Committee are, among other things, to review and to supervise the financial reporting process and risk management (including ESG risks) and internal control systems of the Group. The Audit Committee comprises all independent non-executive Directors, namely, Mr. Kam Wai Man (chairman of the Audit Committee), Ms. Feng Li, Mr. Tan Hup Foi (appointed on 28 May 2025) and Dr. Horn Kee Leong (resigned on 28 May 2025).

For the year ended 31 December 2025, the Audit Committee had reviewed the Group's audited annual results for the year ended 31 December 2024 and the Group's unaudited interim results for the six months ended 30 June 2025, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group, and selection and appointment of the external auditors. In addition, the Audit Committee reviewed annually the risk management and internal control systems of the Group, as well as the effectiveness of the Group's internal audit function, during the year ended 31 December 2025. During the year ended 31 December 2025, the Audit Committee held two meetings with the external auditors without the presence of any members of management of the Company.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, two meetings were held by the Audit Committee. The individual attendance record of each member of the Audit Committee at the meetings of the Audit Committee is set out below:

Name of Director	Attendance/ Number of Committee Meetings eligible to attend
Mr. Kam Wai Man	2/2
Ms. Feng Li	2/2
Mr. Tan Hup Foi (appointed on 28 May 2025)	1/1
Dr. Horn Kee Leong (resigned on 28 May 2025)	1/1

Remuneration Committee

The Board established a remuneration committee (the “**Remuneration Committee**”) on 5 December 2008 with written terms of reference in compliance with the Listing Rules. The primary duties of the Remuneration Committee are, among other things, to evaluate the performance, to review, approve and make recommendations to the Board on the remuneration package of the Directors and senior management, as well as to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The Remuneration Committee consists of three members, namely, the independent non-executive Directors, Ms. Feng Li (chairman of the Remuneration Committee), Mr. Kam Wai Man, and the executive Director, Mr. Zongjian Cai.

For the year ended 31 December 2025, the Remuneration Committee surveyed peer companies’ remuneration packages and reviewed the remuneration packages of the Directors and the senior management. The Remuneration Committee also reviewed granting of awarded shares under the Share Award Scheme, vesting results of Performance-based Awarded Shares under the Performance-based Share Award Scheme, and other benefit plans to key employees.

For the year ended 31 December 2025, four meetings were held by the Remuneration Committee. The individual attendance record of each member of the Remuneration Committee at the meetings of the Remuneration Committee is set out below:

Name of Director	Attendance/ Number of Committee Meetings eligible to attend
Ms. Feng Li	4/4
Mr. Zongjian Cai	4/4
Mr. Kam Wai Man	4/4

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Board established a nomination committee (the “**Nomination Committee**”) on 16 September 2013 with written terms of reference in compliance with the Listing Rules. The terms of reference were amended on 29 December 2018 and 28 May 2025 with reference to the changes relating to Corporate Governance Code. The primary duties of the Nomination Committee are, among other things, to review the nomination policy, to nominate potential candidates for directorship, to make recommendations to the Board on terms of appointment or re-appointment of directors of the Company and succession planning for directors of the Company and review the board diversity policy. Their written terms of reference are in line with the Corporate Governance Code provisions. The Nomination Committee consists of four members, namely, the independent non-executive Directors, Mr. Tan Hup Foi (appointed on 28 May 2025) (chairman of the Nomination Committee), Mr. Kam Wai Man, Ms. Feng Li, Dr. Horn Kee Leong (resigned on 28 May 2025) and the executive Director, Mr. Zongjian Cai.

During the year ended 31 December 2025, the Nomination Committee reviewed, among other things, the structure, size, composition and diversity (including without limitation, age, gender, nationality and educational background, ethnicity, industrial professional experience, skills, knowledge and length of service) of the Board, and made recommendations to the Board on appointment or re-appointment of directors of the Company and succession planning for directors of the Company, the independence of independent non-executive directors and the board diversity policy.

During the year ended 31 December 2025, two meetings were held by the Nomination Committee. The individual attendance record of each member of the Nomination Committee at the meetings of the Nomination Committee is set out below:

Name of Director	Attendance/ Number of Committee Meetings eligible to attend
Mr. Tan Hup Foi (appointed on 28 May 2025)	1/1
Mr. Zongjian Cai	2/2
Mr. Kam Wai Man	2/2
Ms. Feng Li	2/2
Dr. Horn Kee Leong (resigned on 28 May 2025)	1/1

CORPORATE GOVERNANCE REPORT

Nomination Policy

Pursuant to the Corporate Governance Code, the Board adopted a nomination policy on 29 December 2018. The nomination policy provides guidelines to the Nomination Committee on the selection of suitable candidates for directorship. The selection criteria include but not limited to (i) reputation for integrity, (ii) commitment in respect of available time, and (iii) creativity and professional knowledge in the business operation of the Company. Board diversity will continue to be an important aspect for the Nomination Committee in assessing the suitability and capability of a proposed candidate to become a Board member and in making recommendations to the Board of individuals nominated for directorships. The Nomination Committee will also base on the aforesaid selection criteria to make recommendations to the Board on the appointment or re-appointment of Directors and when considering succession planning for the Board. The Nomination Committee will review the nomination policy on an annual basis to ensure its continued effectiveness.

Corporate Governance Function

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board in compliance with the Listing Rules, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and the management team of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report. During the year ended 31 December 2025, the Board reviewed and determined the policy for the corporate governance of the Company.

Joint Company Secretaries

The joint company secretaries of the Company are Ms. Jessie Shen and Ms. Yin Ping Yvonne Kwong. Ms. Yin Ping Yvonne Kwong, senior vice president of SWCS Corporate Services Group (Hong Kong) Limited, an external service provider, has been engaged by the Company as its company secretary to act jointly with Ms. Jessie Shen. The primary contact person at the Company is Ms. Jessie Shen. Both Ms. Jessie Shen and Ms. Yin Ping Yvonne Kwong have informed the Company that they have taken no less than 15 hours of relevant professional training during the year ended 31 December 2025. Their trainings satisfied the requirements under Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING

The Board, supported by the chief financial officer and the finance department, is responsible for the preparation of the financial statements of the Company and the Group for each financial year, and shall give a true and fair view of the financial position, operating results and cash flow of the Company and its subsidiaries for each financial year.

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

The responsibilities of KPMG, the Company's external auditor, on the financial statements are set out in the section headed "Independent Auditor's Report" in this annual report.

Auditor's Remuneration

The Audit Committee of the Company is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors of the Company and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Company engages KPMG as its external auditor. Details of the fees paid/payable to KPMG during the year ended 31 December 2025 are as follows:

	HK\$'000
Audit and audit-related services*	3,718
Non-audit services	670
	<hr/>
Total	4,388
	<hr/> <hr/>

* The audit and audit-related services mainly comprise of statutory audits and reviews for the Group and/or its certain subsidiaries.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risk that the Company is willing to take to achieve the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board has developed its internal management systems, which include but not limited to the following processes:

- The Board receives regular updates from the management team and reviews the Group's business plan, financial results, investment strategies, business indicators and performance appraisal to ensure that the business risks are identified and managed;

CORPORATE GOVERNANCE REPORT

- The management team supervises the Group's business performance on an on-going basis via regular meetings with respective departments and project teams, to identify potential risks and develop strategies to address the risk;
- The Group monitors a wide range of indicators, such as game statistics, player feedbacks and employee turnover rate, and responds promptly if any risk indicators arise;
- The Group works with external legal, accounting, tax, and other professional advisers at various jurisdictions to ensure that it is in compliance with relevant legislation and regulations; and
- The internal audit department of the Group performs independent reviews on the internal control systems and operational activities, and presents its findings to the Board on a regular basis, at least quarterly.

However, the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has included "environmental, social and governance" risks into its risk management system. Please refer to the section headed "2.3 ESG Risk Management" in Corporate Social Responsibility Report for further details.

The Board is responsible for overseeing the management in the design, implementation and monitoring of risk management and internal control systems, and reviewing and maintaining appropriate and effective risk management and internal control systems. During the year ended 31 December 2025, the Board has conducted quarterly reviews of the risk management and internal control systems of the Group and considered the risk management and internal control systems of the Group have been implemented effectively and are adequate. Such reviews covered financial, compliance and operational controls. The Board has also discussed the business risk, financial risk, compliance risk, operational risk, external risk and other risks. No significant internal control failings or material weaknesses were noted during the Year.

In addition, the Board has reviewed and considered the adequacy and effectiveness of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, legal and financial reporting functions, as well as those relating to ESG performance and reporting, and compliance with the provisions of the Corporate Governance Code during the year ended 31 December 2025.

The Group attaches utmost importance to the proper handling and dissemination of inside information. Internal policies are put in place to ensure that inside information is adequately controlled. All employees are provided with learning materials and guidelines regarding the handling and dissemination of inside information on a yearly basis. IT system controls are implemented to ensure the access to sensitive data is restricted to authorised personnel only.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting and put forward proposals at Shareholders' meeting

Pursuant to Article 58 of the Articles of Association, any one or more member(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place (as defined under the Articles of Association), 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.

Communications with Shareholders

The Board recognises the importance of maintaining clear, timely and effective communication with Shareholders of the Company and prospective investors. Therefore, the Group adopted the shareholders communication policy, which was reviewed by the Board annually to enhance effective communication between the Company and Shareholders. The Group is committed to maintaining a high degree of transparency to ensure that Shareholders of the Company and prospective investors receive accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, announcements and circulars. All corporate correspondence are published on the Company's website at www.igg.com and the Stock Exchange's website at www.hkexnews.hk. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategies, operations, management and plans. Members of the Board and of the various Board committees will attend the annual general meeting of the Company and answer questions raised during the meeting. Separate resolutions would be proposed at the general meeting on each substantially separate issue. The chairman of the general meetings of the Company would explain the procedures for conducting poll before putting a resolution to vote. The results of the voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

CORPORATE GOVERNANCE REPORT

Procedures by which enquiries may be put to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to Ms. Jessie Shen, one of the joint company secretaries of the Company via following:

Attention: Ms. Jessie Shen

Address: Level 34, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Telephone No.: (852) 3951 0370

Fax No.: (852) 2311 5768

Email: cosec@igg.com

The company secretary of the Company is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions and inquiries, to the chief executive officer of the Company.

The Board has reviewed the implementation and effectiveness of the shareholders communication policy, such as measures taken at general meetings and inquiries received, and considers the policy's implementation effective during the Year.

Constitutional documents

There has been no change in the Company's constitutional documents for the year ended 31 December 2025.

CORPORATE SOCIAL RESPONSIBILITY REPORT

1 ABOUT THIS REPORT

Overview

This report focuses on the disclosure of information on the economic, social and environmental performance of the Group for the period from 1 January 2025 to 31 December 2025.

Basis of Preparation

This report mainly makes reference to the Environmental, Social and Governance (“ESG”) Reporting Code issued by the Stock Exchange. The contents of this report are determined based on a set of systematic procedures, such as identifying and prioritising key stakeholders, identifying and prioritising key ESG issues, determining the scope of corporate social responsibility report, collecting relevant materials and data, compiling the report based on relevant information, and reviewing information in the report.

Scope of the Report

Unless otherwise stated, the disclosure scope of local offices in this report is consistent with the 2025 annual report of the Company, covering the Group’s principal activities of the development and operation of mobile games and applications.

Explanation for Abbreviations

In order to facilitate the presentation and reading, for the purpose of this report, each of “IGG”, “the Group” and “we” refers to IGG Inc and its subsidiaries.

Data Source and Reliability Assurance

The data and information in this report are mainly from the relevant documents, reports and statistics of IGG. The Board undertakes that this report contains no false or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents.

Statement from the Board

As a leading global developer and operator of mobile games and applications, the Group strives to achieve long-term business development, and shoulder its corporate social responsibility at the same time. To incorporate ESG concepts into all aspects of corporate management, the Board takes overall responsibility for the Group’s ESG strategy and reporting, guiding and overseeing various ESG-related issues. The Group has established an ESG working group directly led by the Board to implement effective execution, supervision and enhancement of ESG management, and to periodically report to the Board.

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We have formulated ESG-related policies to balance business objectives and stakeholders' interests, aiming to put sustainable development into practice. Please refer to respective chapters of this report for the policies, measures and sustainable development achievements of the Group.

In 2025, after understanding stakeholders' expectations and needs, taking into consideration business objectives and market environment, we analysed and identified ESG-related risks and material issues. IGG strives to create high-quality products for users to provide the best experience, optimise features, and improve information security and privacy protection systems. Caring for employees, we provided comprehensive training and a wide array of activities, and maintained a safe and equal working environment. We fulfilled our social responsibilities, not only actively participating in conventional events such as charity activities and donations, but also leveraging our influence in games to integrate industry expertise with corporate social responsibility. Besides, committing to protecting the environment, after meeting prior year's qualitative targets, we have established new quantitative targets for the current year. We will continue to regularly review the effectiveness of our ESG risk mitigation strategies and target delivery progress, with a view to further improving the Group's ESG-related objectives and policies.

The report was approved on 25 March 2026 upon confirmation by the Board.

Reporting Principles

This report is prepared based on the principle of materiality, quantitative, balance and consistency.

Materiality: This report covers material ESG information identified by the Group. The procedures used to assess the materiality of ESG issues are set out in "2.5 Identification of Material Issues".

Quantitative: The data collection standards, methodology, and assumptions to calculate the quantitative key performance indicators have been disclosed in relevant chapters of this report.

Balance: This report provides an unbiased picture of the Group's performance, avoiding selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: We have clarified in relevant chapters of this report if there are any changes in statistics or key performance indicators, or other influencing factors.

CORPORATE SOCIAL RESPONSIBILITY REPORT

2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRUCTURE

2.1 Sustainable Development Principles

The Group is developing its sustainable development principles and objectives by considering results of stakeholder communication, industry best practices and nature of business, striving for its long-term development in areas of corporate governance, business operation, community involvement and environmental protection.

2.2 Environmental, Social and Governance Mechanism

IGG ESG Management Structure

Governing Bodies or Departments	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Decide and approve the Group's ESG strategies, targets, and work performance Be overall responsible for ESG strategy and reporting Discuss major issues and future development regarding ESG matters Ensure appropriate ESG risk management and internal control systems are in place Ensure the Group complies with relevant laws and regulations, monitor and respond to latest ESG matters Review significant ESG issues identified by stakeholders Review the ESG risks and opportunities identified (including climate-related risks and opportunities) Assess and review effectiveness of ESG working mechanism and progress made against ESG-related targets
ESG working group (led by executive Director, with direct participation by person-in-charge from respective departments)	<ul style="list-style-type: none"> Identify and assess ESG risks and opportunities (including climate-related risks and opportunities) Understand and access significant ESG issues identified by stakeholders Formulate ESG strategies of the Group, and incorporate ESG matters into business objectives, strategies and targets Coordinate ESG information management and reporting Lead the execution of ESG objectives, targets, policies and work steps Report to the Board periodically
Various departments	<ul style="list-style-type: none"> Collaborate and promote ESG practices of the Group Collect, process and report relevant information on a regular basis Provide timely update and feedback on ESG-related progress Take responsibility for internal communication on ESG-related matters

CORPORATE SOCIAL RESPONSIBILITY REPORT

2.3 ESG Risk Management

We have included ESG matters into our risk management system. By formulating the “Risk Management Policy”, we set up the risk management mechanism to identify potential risk events and meet business objectives. The Board is responsible for oversight of risk management matters to ensure the effectiveness of risk management and internal control systems, including determining the nature and extent of risks the Group is willing to undertake to achieve its strategic objectives, and reviewing effectiveness of internal risk monitoring systems annually. Risk management procedures include collecting risk-related data, assessing risk factors, setting risk management strategies, formulating and implementing risk management solutions, monitoring and improving relevant practices. For climate-related risks and opportunities, please refer to “9.1 Climate-related Risks and Opportunities” of this report for details.

2.4 Stakeholder Engagement

IGG has continuously maintained good communication with various stakeholders through a variety of channels to understand and take the initiative to respond to the expectations of different stakeholders. The opinions of stakeholders are important for us to actively fulfill our social responsibilities, implement good governance, and improve on our sustainable development capability.

Category of and Engagement with Stakeholders

Category of Stakeholders	Expectations	Main Communication Methods
Customers	<ul style="list-style-type: none"> Information security and privacy protection Quality of products and operation Anti-cheating and fairness in games 	<ul style="list-style-type: none"> Customer service channels such as live chat and e-mail Interaction on social media Offline player gatherings Game exposition events
Government and regulatory authorities	<ul style="list-style-type: none"> Operational compliance Promoting regional economic development Creating employment opportunities 	<ul style="list-style-type: none"> Participation in relevant government meetings and cooperation projects Paying close attention to regulation updates Cooperation with organisations such as higher education institutions and charitable organisations

CORPORATE SOCIAL RESPONSIBILITY REPORT

Category of Stakeholders	Expectations	Main Communication Methods
Shareholders	<ul style="list-style-type: none"> • Investment return • Information transparency 	<ul style="list-style-type: none"> • General meetings • Announcements and information disclosures • Investor relations hotline and e-mail • Company's official website and the Stock Exchange's website
Employees	<ul style="list-style-type: none"> • Protection of employee rights • Career development • Occupational health and safety 	<ul style="list-style-type: none"> • Team building and training activities • Dialogue sessions • Internal employee websites, publications, and forums • Internal feedback collection mechanism
Suppliers and business partners	<ul style="list-style-type: none"> • Long-term partnership • Fair competition 	<ul style="list-style-type: none"> • Regular communication • Supplier management mechanism
Industry associations	<ul style="list-style-type: none"> • Fair competition • Adhere to industry standards • Exchange and cooperation 	<ul style="list-style-type: none"> • Participation in industry conferences and events
Non-governmental organisations and charitable organisations	<ul style="list-style-type: none"> • Support community development • Leverage industry expertise to fulfill social responsibilities 	<ul style="list-style-type: none"> • Volunteering events • Charitable donations • Cooperation with charitable organisations

CORPORATE SOCIAL RESPONSIBILITY REPORT

2.5 Identification of Material Issues

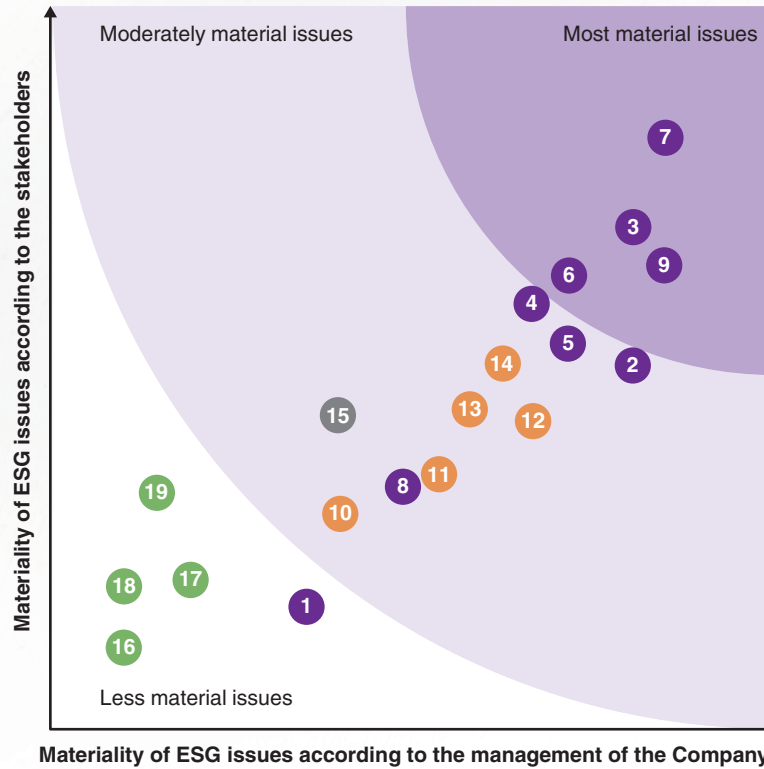
The Group has periodically conducted surveys on its related ESG issues to have a better understanding of the opinions of stakeholders, to derive the priorities of ESG issues, and formulate the framework and contents of disclosure in response to the requests of the stakeholders.

Our assessment on major issues comprised the following procedures:

Identification of stakeholders	Identify each of the important stakeholders and formulate specific engagement plans for them.
Engagement of stakeholders	Conduct study of stakeholders through questionnaires to understand their concerns and expectations on the Group in respect of ESG issues.
Prioritisation of material issues	Analyse and prioritise the ESG issues after quantification of the result on study of the stakeholders.
Confirmation by the management	Submit the analysis result to the management for final confirmation.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Materiality Analysis Matrix of ESG Issues



List of ESG Issues

- Products and operation
- Employment
- Environment
- Community

● 1 Supply chain management	● 8 Advertising and marketing compliance	● 14 Labour standards
● 2 Business integrity	● 9 Intellectual property rights protection	● 15 Community contribution
● 3 Product quality	● 10 Equal and diversified employment	● 16 Climate change
● 4 Operation quality	● 11 Training and career development	● 17 Energy consumption management
● 5 Product health and safety	● 12 Remuneration and benefits	● 18 Water management
● 6 User services and communication	● 13 Occupational health and safety	● 19 Waste management
● 7 Information security and privacy protection		

The material ESG issues identified include information security and privacy protection, product quality, intellectual property rights protection, and user services and communication.

CORPORATE SOCIAL RESPONSIBILITY REPORT

3 CORPORATE CULTURE

As a mobile game and application developer and operator, we uphold the corporate culture of “Innovators at Work, Gamers at Heart”. By effectively executing our strategies and plans, and continuously innovating to create high-quality products, we are able to consistently meet challenges in a rapidly changing industry and an uncertain market environment.

We advocate throughout the Group for the following corporate values established by our culture and mission.

Our Values

Pursuing innovation, we dare to dream;

With discipline and dedication, our craft we esteem.

Upholding integrity and fairness with great pride;

Open communication and close collaboration by our side;

Determined and focused, towards success we stride.

While pursuing growth and innovation, we also integrate social responsibility into our products, services, corporate management, corporate culture building, employee training and welfare, community initiatives, and other aspects, promoting sustainable social development together with various stakeholders. To ensure that the Group’s operations are aligned with our corporate culture, mission, and values, we provide guidelines for all employees through the promotion of the employee handbook, training, and the implementation of company policies and measures.

CORPORATE SOCIAL RESPONSIBILITY REPORT

4 BUSINESS ETHICS

4.1 Anti-corruption

We comply with the United Nations Convention against Corruption, the Prevention of Corruption Act of Singapore, and other anti-corruption laws and regulations in countries and regions where we operate, such as the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》). Internally, IGG has formulated the "Anti-Fraud Policy", laying down prohibitions on behaviours such as corruption, embezzlement and forgery, and establishing standardised and effective mechanisms to detect, deter, report and address fraud cases.

The Board, through the Audit Committee, independently oversees and strengthens corporate governance and internal controls to safeguard the legitimate rights and interests of the Group and its shareholders. The anti-corruption team has been set up by the Audit Committee to ensure thorough and effective implementation of the Group's Anti-Fraud Policy, in order to prevent, detect and investigate fraud cases. The anti-corruption team directly reports to the Audit Committee to ensure its independence.

To prevent and deter fraud, IGG's internal policy stipulates that all employees and their associates should not receive any rebates, gifts or other benefits which may influence a business decision, and are not allowed to have any monetary or material interest exchange with suppliers. In situations in which gifts, entertainment, or benefits in any form have been received, regardless of the value of the gift or hospitality, the relevant employee should politely reject the gift and disclose the information to his/her department leaders. If it is not feasible to return the gifts, gifts with value higher than a specific amount should be managed by respective subsidiaries. In addition, major suppliers are required to acknowledge IGG's anti-corruption expectations and fraud reporting channels, and proactively submit declarations of interest if they have any connections with any IGG employees, or vice versa, to prevent the relevant employees from participating in supplier selection.

Both external parties and our employees can report unethical behaviours by a member of management or an employee from any subsidiary in the Group via channels published on the Group's website (<https://reporting-fraud.igg.com/>), such as e-mail, telephone, or webpage, with anonymous options available. Whistleblowers may receive rewards from IGG for providing useful information or evidence. Measures such as encryption and access right restriction are introduced to fraud-reporting channels to strictly protect information of whistleblowers. Reported issues are investigated by the anti-corruption team, and supervised by the Audit Committee.

The Group is committed to raising awareness of integrity. All Directors and employees have received annual training in anti-fraud policies and requirements, which include anti-fraud regulations, the identification of fraud, reporting channels, punishment for fraud cases, etc. IGG has joined the Trust and Integrity Enterprise Alliance, an anti-corruption alliance established by leading internet enterprises, and we will continue to strengthen internal controls and anti-corruption practices. There were no concluded legal cases regarding corrupt practices brought against the Group during the year 2025.

CORPORATE SOCIAL RESPONSIBILITY REPORT

4.2 Prohibition on Insider Trading

The Group has implemented the “Policy on Information Disclosure and Prevention of Insider Trading”, with the objectives to regulate information disclosure and trading of shares by responsible personnel, and protect the rights of the Group, its shareholders and other stakeholders. We have implemented information technology system controls to ensure price-sensitive data can only be assessed by authorised personnel. Before the start of the blackout period or when inside information exists, the Group notifies inside information holders via e-mail to refrain from dealing in IGG’s shares. In addition, we conduct training for all employees periodically to emphasise on requirements regarding information confidentiality and prohibition on insider trading.

4.3 Business Ethics and Compliance Awareness

We uphold the values of integrity and fairness, and maintain a zero-tolerance policy towards corruption and other fraudulent activities. The ethics and business conduct training is mandatory for all employees each year. The content includes protecting trade secrets, avoiding conflicts of interest, adhering to business ethics, prohibiting insider trading, complying with anti-corruption regulations, preventing infringement and plagiarism, and safeguarding personal data. Through regular training, we communicate to employees and confirm their awareness of relevant regulations, codes of conduct, company policies, process requirements, as well as consultation and reporting channels. We continue to integrate integrity and compliance awareness into our corporate culture, laying a solid governance foundation for the Group’s sustainable development.

CORPORATE SOCIAL RESPONSIBILITY REPORT

5 SUPPLIER MANAGEMENT

The Group has suppliers in areas such as app distribution platforms, marketing, game development and game content production, information technology related services, professional and consulting services, etc. There are about 540 major suppliers for the year 2025, with 76% located in Asia, 11% in North America, 11% in Europe, and 2% in other regions.

Internal policies such as the “Procurement Management Policy” are implemented to ensure an open, fair and transparent procurement process. Taking supplier selection as an example, for purchases higher than a certain value, the procurement information in principle should be published openly at IGG’s procurement platform, and at least three potential suppliers should be compared by criteria such as price, capability, service, delivery time, environmental and social responsibilities. For major project procurement, we additionally require a complete bidding process. In addition to reviews by relevant internal departments, external professional consultants are also involved, and the Internal Audit Department provides independent supervision over the compliance of key processes such as bid issuance and bid evaluation.

We have established a systematic supplier database for the management, evaluation and maintenance of our suppliers. During cooperation, we conduct regular reviews of supplier performance to ensure the quality of products or services and achieve win-win cooperation. We have set assessment indicators for various types of suppliers to regularly inspect the quality of products and services, including sample inspections, questionnaire surveys, evaluation feedback, etc. As our core business is the development and operation of games and mobile applications, environmental risks in the supply chain management process are relatively low. When selecting suppliers related to office premises, we give priority to products and services that meet higher environmental standards, striving to create a green and healthy office space for all employees. To uphold the bottom line of business ethics and compliance, we have a supplier blacklisting mechanism. Suppliers who breach their contracts or commit major violations during cooperation will have their partnership terminated and be added to the Group’s supplier blacklist. In addition, we also include suppliers publicly reported by peer companies for involvement in corruption or other serious fraudulent practices on the blacklist to avoid cooperation risks.

Please refer to the chapter headed “4.1 Anti-corruption” of this report for anti-corruption policies and practices relating to suppliers. Furthermore, intellectual property protection requirements are set out in contracts, and details can be found in the chapter headed “6.8 Intellectual Property Protection” of this report.

Due to the increasing trend of phone and internet scams in recent years, we have established a series of verification procedures for requests to change supplier bank accounts, aiming to minimise fraud risk.

CORPORATE SOCIAL RESPONSIBILITY REPORT

6 PRODUCTS AND SERVICES

6.1 Enhance User Experience

IGG is committed to creating valuable experiences for users through products and services of exceptional quality. For example, in our game business, creating high-quality gaming experience is the most important product responsibility, as well as the key to attracting and retaining players.

Starting from the R&D stage, IGG attracts talents from all over the world and now has a number of R&D teams worldwide. With 20 years of experience in the game industry, the team strives for continuous innovation and excellence in creating games of the highest quality. We frequently update game versions, launch innovative gameplay features and optimise game content, while actively collaborating with world-renowned IPs. For example, in 2025, we not only formed close partnership with internationally renowned film, television and animation IPs including “Pacific Rim Uprising”, “Angry Birds Generation 1, 2 and 3”, “Godzilla x Kong: The New Empire”, “How To Train Your Dragon (Live Action)” and “Wicked Pt. I”, integrating popular characters and storylines into our game content, but also collaborated with world-famous brands such as “Coca-Cola” to provide players with richer and more diversified experiences. Meanwhile, we focus on deep and innovative integration with culture. Through cross-industry integration and contemporary presentation, we have revitalised traditional culture with our games, which has been well received by players worldwide. For details, please refer to section “8.2 Promotion of Traditional Culture”.

We also cooperate with other elites to create state of the art gaming experience for our gamers, such as engaging world-famous music artistes to produce exclusive game soundtracks and inviting popular voice actors to dub game characters. Besides, IGG’s development teams actively venture into different genres to diversify product offerings for players.

While internationalising its products, the Group strives for the localisation of its operations to know our customers’ cultural backgrounds and gaming preferences, serve them better, and adopt more effective and focused marketing approaches. Local operation teams around the world work closely to roll out a full range of marketing initiatives, such as interactive events with players, popular influencer live streams, partnerships with IPs from internationally renowned brands and screen productions, joint events with museums, celebrity endorsements, and customised exclusive songs promotional animations, as well as campaigns on social media platforms, print media, television, and outdoor advertising display. Our diverse promotional strategies also include organising international game tournaments and player meetings, having co-marketing campaigns with other companies, developing game merchandise, and introducing the Creator Turf for player-generated content. Major games have released PC versions on Steam, a leading global game distribution platform, to enhance the overall player experience by strengthening cross-platform integration.

CORPORATE SOCIAL RESPONSIBILITY REPORT

IGG's products have received awards from the gaming industry. "Lords Mobile" won the "Best Evergreen Strategy Game" at the Sensor Tower APAC Awards 2025 hosted by data analytics platform "Sensor Tower". "Fate War" was awarded the "Most Anticipated Game of the Year" at the Golden Tea Awards presented by mobile gaming information platform "Game Teahouse".

6.2 Business Continuity and Resilience

In addition to the pursuit of the best product quality and user experience, the operation and maintenance of products and server reliability are also crucial. We engage leading service providers in the industry and take measures to ensure the operation quality of our servers, maintain reliable connectivity and reduce network latency in order to create a seamless experience for global users.

IGG possesses industry-leading attack mitigation ability. Striving to defend the legitimate interests of users, the Group has established internal policies such as the "IGG Information Security Safeguard Measures" and has taken a number of measures to ensure network system security and reliable operation at the physical, network, system and application layers.

In particular, gaming experience is affected directly by the fairness in games. Game plug-ins not only affect revenue of the Group, but also undermine the fairness of games and player experience. The operation teams look for evidence by analysing players' behaviours through backend data, identify and rapidly crack down on plug-ins in order to maintain a fair gaming environment.

In addition, we have established crisis management policies, including the "Customer Centre Urgent Problem Addressing Procedures" and the "Practice Guidelines for Server Maintenance and Management". These internal policies address urgent scenarios and potential risks during operation, such as server failure, network issue, platform or software defects, power interruption and natural disasters, and lay out standard procedures on the testing, communicating, handling, and recording of issues, as well as issuing maintenance notice and in-game rewards, with the objective to safeguard the legitimate interests of our users and ensure business continuity. Besides, we have implemented remote backup and disaster recovery plans, and held periodic rehearsals, to ensure key business can resume operation timely in the unlikely event of extreme natural disasters.

CORPORATE SOCIAL RESPONSIBILITY REPORT

6.3 Product Health and Safety

Caring for the physical and mental well-being of our users is the social responsibility of the Group, and is also an important aspect of high-quality user experience. Regarding games, the Group understands that our players are from different cultural and religious backgrounds, and our games operate in countries and regions with various regulations. For example, when operating in China where more specific regulations are implemented, we have obtained licenses such as Business License of Value-Added Telecommunications Services (《增值電信業務經營許可證》) from governing bodies in accordance with applicable regulations. Furthermore, we strictly follow the laws of the countries and regions where we operate and requirements on healthy gaming of various app distribution platforms. Measures such as choosing appropriate game character image designs, player real name authentication, game rating, objectionable information filtering, display of “Healthy Gaming Advice” during game login are taken. We also comply with regulations on protection of minors. Take China as an example, as required by the Law of the People’s Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) and the Notice of Preventing Minors from Indulging in Online Games by the National Press and Publication Administration (《國家新聞出版署關於防止未成年人沉迷網路遊戲的通知》), children protection mechanism, player age restriction and gaming hours limit are implemented accordingly. A guide on user conduct has been included in the “Terms of Services” published on the Group’s website, stipulating measures against inappropriate behaviours and user-generated content, such as suspending accounts and removing contents. Objectionable actions include any behaviour against the laws, or using languages that may be rude, humiliating, defamatory, vulgar, hurtful, threatening, abusive, obscene, libelous, hateful, offensive or discriminatory in nature.

CORPORATE SOCIAL RESPONSIBILITY REPORT

6.4 Boosting Productivity with AI Technology

In recent years, artificial intelligence (AI) technologies have advanced at an unprecedented pace. IGG has keenly anticipated this wave of technological innovation and, as early as the beginning of 2023, took the lead in adopting Artificial Intelligence Generated Content (AIGC) technologies. We also established a dedicated AI research team to drive innovation in this area. By integrating AI technologies with our internally developed tools and platforms, while also introducing mature market-proven AI solutions, we have continuously expanded and refined the application of AI across our operations. These efforts have effectively replaced manual processes, delivering significant cost reductions and efficiency gains. Today, AI has become an indispensable “intelligent partner” for every member of the IGG team, empowering us to push beyond traditional cognitive boundaries and jointly shape the future.

Across our business activities, we have applied AI technology to areas such as R&D, operations, and management support, achieving process upgrading and significantly improving R&D and operational efficiency as well as overall corporate productivity. In R&D, AIGC boosts the efficiency of coding, art creation, and script writing, shortening the development cycle and improving product testing efficiency and quality. At the same time, we have extended AI technology to optimise the rationality and efficiency of R&D manpower allocation. In marketing, AI optimises advertising materials to reach target audiences more effectively, increasing content output and advertising performance. AI has also been fully integrated into the entire process of game customer support. It is applied to intelligent identification and early warning of abnormal player status in games, automated complaint handling, multilingual translation and intelligent customer service tools, establishing a more efficient, accurate and scalable intelligent customer service system. The application of these tools frees employees to focus on more creative work and deliver higher value. Moreover, extensive AI implementation further enhances management and decision-making efficiency, elevating the Group’s operational performance to new heights.

To equip our teams with cutting-edge expertise, we provide AI skills training tailored to real-world scenarios. Moving forward, the Group will continue advancing the application of innovative technologies to unlock broader efficiencies across operations. While we upgrade our technology, we are also reinforcing our data protection measures to ensure a balanced approach to innovation and risk management.

6.5 Improvement of Service Quality

We highly value the quality of our products and services. Ratings at app stores are the most direct channels for users to express their opinions on our mobile games and applications. We regularly monitor and collect our products’ ratings and user comments from various major app distribution platforms, and address users’ feedback timely, so that the development and operation teams can effectively improve on products and services. For games, players are the most important stakeholders and it is therefore crucial to collect their feedback. The Group continuously communicates with players by collecting their suggestions via social platforms, customer service channels and questionnaires, fosters interaction, and ensures game content updates to attract and retain players.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Customer Services

The Group is a global mobile game and application developer and operator with users from more than 200 countries and regions around the world. Communication with users is an integral part of product experience. Our customer service centre provides industry-leading support for users 24 hours a day, 365 days a year.

We have formulated the “Customer Service Requirements” to set out detailed standard practices that ensure comprehensive, accurate and timely customer services. In 2025, our customer service addressed customer inquiries via various channels, including approximately 1,008,000 questions via in-game ticket submission, approximately 501,000 questions raised through live chat, and approximately 257,500 e-mails. The customer complaint channel received 114 complaints. Users’ queries and complaints were related to, among other things, purchases, product experience and system bugs which have been followed up and addressed according to the Group’s “Customer Service Requirements”.

By monitoring the real-time service data on the operating platform, we are able to meet the consulting needs of users in a timely manner. Our customer service centre insists on four principles, namely timeliness, completeness, convenience and openness, and seeks to respond to customers’ questions within a reasonable timeframe depending on the nature of questions raised. To facilitate customer communication in unexpected situations, we have developed the “Customer Service Guidelines for Emergency Scenarios” and set out protocols for incidents such as issuing urgent maintenance notice and compensation plans.

We continuously upgrade the customer service and quality inspection system to enhance service efficiency, by improving searches for questionable tickets, automatic identification of irregular orders and multilingual service workflow. The evaluation and inspection on customer service quality has been carried out by a combination of internal spot check and external customer scoring. The internal quality inspection review conducts a comprehensive quality assessment on response speed, service attitude, wordings, and correctness of answers and solutions. We continuously promote service philosophy and enhance training on handling various issues, to ensure the best customer service. For games, we regularly analyse player ratings and reviews of in-game service live chat, and factor in the constructive feedback to improve game and service quality.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Player Activities

For game business, we conduct a variety of interactive events which have been well-received by players. Offline activities include international game tournaments, player gatherings and exhibitions at major game shows, which create multidimensional experience and establish exchange communities outside cyberspace. At the same time, we hold regular online events, including designing contests, talent shows, and interactive live streaming. While expanding the influence of our games, these events reach out to players in more channels, enhance player engagement, and promote close connection between players and IGG's games.

In 2025, we remained committed to elevating player experience and rolled out a diverse range of player engaging events across multiple countries and regions, delivering world-class esports spectacles while fostering close connections with our players. “Lords Mobile”, “Doomsday: Last Survivors” and “Viking Rise” came together to stage the flagship esports annual event “2025 World Championship”. Following months of intense online qualifiers that drew thousands of teams from across the globe, top players have earned their spots to compete in Incheon, Korea, chasing championship glory and a generous prize pool. The tournament features a range of innovative formats and gameplays, combining strategic depth with spectator appeal. It also offers a premium viewing experience and immersive interactive activities, creating an unparalleled esports spectacle for players worldwide. In major cities around the world, we also held a variety of distinctive offline meetups and themed events, as well as attended game exhibitions, deepening interactions with players worldwide.



Doomsday: Last Survivors 2025 World Championship

CORPORATE SOCIAL RESPONSIBILITY REPORT



Lords Mobile 2025 World Championship



Game Exhibitions

CORPORATE SOCIAL RESPONSIBILITY REPORT

6.6 Information Security and Personal Data Protection

Privacy Protection

The Group ensures compliance with existing privacy laws and regulations in all countries and regions in which it operates, and closely follows the updates of laws and regulations worldwide, including but not limited to the Personal Data Protection Act 2012 (2020 Revised Edition) of Singapore (PDPA), European Union's General Data Protection Regulation (Regulation (EU) 2016/679, abbreviated as GDPR), California Consumer Privacy Act (CCPA) and California Privacy Rights Act (CPRA) in the USA, Cybersecurity Law of the People's Republic of China 《中華人民共和國網絡安全法》, Regulations on Network Protection of Children's Personal Information in the PRC 《兒童個人信息網絡保護規定》, Data Security Law of the People's Republic of China 《中華人民共和國數據安全法》, Personal Information Protection Law of the People's Republic of China 《中華人民共和國個人信息保護法》, Regulation on the Protection of Minors in Cyberspace 《未成年人網絡保護條例》 and South Korea's Personal Information Protection Act. In accordance with the relevant regulations, we have appointed a group Data Protection Officer, a European Union representative, and a Chief Information Security Officer, among others, and have engaged external professional advisors to assist in the establishment and implementation of internal control measures covering data collection, storage, use, transmission and deletion. We continuously monitor and assess our information security and data protection practices to ensure compliance with all relevant requirements and regulations. In addition, we have communicated data privacy requirements to the relevant employees from R&D, operation, customer services, and other supporting departments via trainings and briefings.

To enhance the protection of game users' personal data and ensure prudent handling thereof, we have formulated and publicly disclosed a "Privacy Policy" on the Group's website, which clearly sets out the scope, purposes and methods by which the Group collects, uses and discloses users' data. We collect users' personal data in accordance with applicable laws and safeguard users' statutory rights, including the right to access, rectify and delete their personal data. We undertake to collect, store and use users' personal data only within the scope and for the duration specified in the "Privacy Policy" and "Terms of Service", and to properly manage and protect such data in compliance with applicable personal data protection laws and standards, including the GDPR, PDPA and CCPA/CPRA. To this end, we have established the "User Information Protection Measures" and "Information Security Measures" to regulate information security management rules and incident response mechanisms, and to ensure stringent protection of users' personal data. To ensure the security of users' personal data and prevent data leakage, tampering, damage or loss, personal data involving user privacy is encrypted and stored in databases. Based on the actual requirements of different products and business scenarios, sensitive personal data is subject to masking or anonymisation through system configurations. In addition, we implement information classification and tiered protection, access and permission controls, as well as strict authorisation approval mechanisms. Relevant departments conduct regular reviews of database and system user access rights to prevent unauthorised or unlawful operations.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Information Security

The Group is committed to safeguarding its operational data and business information by implementing appropriate and effective data security measures and management mechanisms. The measures cover server hardware, network, operating system and database, etc. The network and information security work group and emergency response team, comprising management and team members from information technology department, operation department, and customer service department, are responsible for oversight of information safety and execution of information security incidents. Periodic security scanning was conducted for the database and operation system to detect and repair any risk factors in a timely manner. Security risks should be re-assessed when making major system changes. Risk assessment methods can include self-check using anti-virus software, penetration testing tool, vulnerability scanning tool or engaging independent third-party reviewers.

For training and awareness-raising, employees responsible for information security regularly participate in related courses and technical training to keep their technical skills up to date. We regularly organise courses or seminars of different levels and categories, so that employees with roles related to information management at all levels can be equipped with the knowledge and skills of information security emergency response. Furthermore, we deliver messages about information security precautions to all employees from time to time via trainings, e-mail, and intranet announcements.

6.7 Operation and Marketing Compliance

To provide better service to global users, the Group establishes R&D and operation centres in various countries and regions, and takes active efforts to ensure its operations comply with local regulations. The Group selects and engages local lawyers, tax advisers, secretarial companies and other professional consultants in respective phases from commencement of establishment to operation to provide professional services including local law and tax consulting, as well as assistance in the operation phase such as contract review, business consulting and risk management.

In respect of advertising and marketing activities, we comply with Singapore Code of Advertising Practice and other relevant laws and regulations in the places where we operate, such as the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》). Promotional materials and public announcements will be reviewed by relevant departments before publicising, to ensure operational compliance.

CORPORATE SOCIAL RESPONSIBILITY REPORT

6.8 Intellectual Property Protection

Intellectual property protection has been a focus of the Group since its inception. The Group has dedicated staff in charge of intellectual property management and engaged professional intellectual property agents and lawyers in different regions across the world to assist in intellectual property management, which has laid a solid foundation for protecting our rights. The Group registers and maintains its various intellectual property rights in a timely manner, taking rapid response to infringement of our intellectual property rights in the market. Besides, the Group works with databases to perform periodic search on similar trademarks registered by third parties, to minimise the risk of infringement.

The concept of protecting intellectual property rights has been rooted within the Group and has been shared and promoted among all employees regularly to enhance awareness. We always respect others' intellectual property rights. The Group strictly manages and controls its operations to avoid infringement. We focus on communicating with and educating relevant departments to ensure that contents are originally created by our employees. All employees with relevant job functions have attended trainings and passed the tests on product-related intellectual property knowledge and regulations. We also actively protect our intellectual property rights. In cases of infringement on our intellectual property, we take immediate action to significantly reduce the actual damages caused to our intellectual property and avoid further infringement.

To prevent risks of intellectual property infringement by suppliers, contract terms on the originality of work and confidentiality clauses have been included in all agreements with service providers of product content and promotional materials. At the same time, we strictly inspect the work received to prevent infringement disputes.

CORPORATE SOCIAL RESPONSIBILITY REPORT

7 CARING FOR EMPLOYEES

7.1 Equal Employment

We endeavour to establish a standardised, orderly, fair and effective human resource management system. Also, we strictly comply with laws, regulations and labour policies relating to human rights and labour in the places where we operate. Regarding recruitment, evaluation, promotion, staff development, benefits and termination of employment contract, the Group's employment handbook states that discrimination will not be tolerated and violations will lead to disciplinary actions. We prohibit discrimination by, among others, race, skin colour, nationality, language, wealth, age, gender, sexual orientation, disability, religion, political faction, member of association and marital status. Furthermore, we comply with laws on prevention of child labour in the places where we operate, such as the Employment (Children and Young Persons) Regulations of Singapore, Law of the People's Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》 and the Provisions on the Prohibition of Using Child Labour of the People's Republic of China 《中華人民共和國禁止使用童工規定》. When hiring new employees, by means of verifying identification documents, education certificates and employment background, we strictly prohibit employing child labour and forced labour, and strive to maintain positive employee relations. In addition, IGG strictly complies with relevant laws and regulations in places where we operate by signing labour contracts with its employees according to law, making contributions to social insurance plans in compliance with relevant requirements and protecting employees' privacy.

IGG has taken extensive measures to assess the Group's needs for human capital and maintains a talent pipeline. The Group keeps a close watch on the latest industrial news and technological development, and plans recruitment accordingly. Besides, IGG manages its database on global talent pools, utilising various channels such as external hiring and internal referral, to ensure enough talent supplies that match IGG's strategies and needs. We conduct analysis periodically, making timely replenishment and adjustment to the Group's talent structure.

IGG actively encourages the employment of persons with disabilities and works closely with organisations such as the Federation of Disabled Persons to provide employment opportunities for the disabled. Subject to meeting the job requirements, IGG gives priority to hiring people with disabilities and provides financial assistance to them. There are several disabled employees with strong will who have accomplished outstanding work achievements at IGG.

CORPORATE SOCIAL RESPONSIBILITY REPORT

In response to workplace bullying, discrimination, sexual harassment and other issues, we carry out “Sunshine Workplace” training to promote relevant laws, cases, and response methods, and communicate positive workplace values.

As at 31 December 2025, IGG had 2,321 employees in total. The gender distribution of IGG’s employees reflect characteristics of the industry, with 34% of females. 34% of employees in management roles are female, and 22% of the Board and senior management are female.

Category	Headcount	Turnover rate
All employees	2,321	19%
By gender		
Female	800	19%
Male	1,521	19%
By age group		
Below 30 years old	604	24%
30-50 years old	1,687	17%
Above 50 years old	30	10%
By geographical region		
Asia	2,200	19%
North America	93	20%
Europe	20	19%
Others	8	44%
By employment type		
Non-management roles	1,848	
Management roles	473	

CORPORATE SOCIAL RESPONSIBILITY REPORT

7.2 Comprehensive Training and Career Development

With love and passion for games and mobile application products, talents from various fields gather in IGG, incorporating their sense of mission and creative spark into work. We are not only committed to creating classic games that stand the test of time, but also focus on developing trendsetting mobile applications, bringing remarkable digital entertainment experiences to users around the world. The Group attaches great importance to encouraging innovation, offers a creative and conducive work environment that promotes learning and growth, and strives to maximise employees' potential and help them achieve their goals.

To better support employees' career development, IGG has established the "Training Management Policy". With the human resource department taking charge, the Group provides training budgets and support for all employees. Training objectives and plans are formulated based on goals of various departments and employees' career development needs. To keep pace with the latest AI technologies and industry trends, we ensure that our training courses are updated timely. We provide multi-stage and comprehensive training courses tailored to employees' career stages and professional requirements, covering onboarding, compliance, mental health, workplace competencies, professional skills, leadership, foreign languages, and more. In addition to classroom training, on-the-job coaching and experience sharing sessions, IGG has introduced an online learning system "IGG Pocket Academy", which provides hundreds of courses and enables employees to learn during fragmented time. To encourage more employees to participate in continuous learning and sharing, outstanding lecturers and active learning participants are awarded with attractive prizes. Furthermore, the efficacy of training programmes is followed up and reviewed, in order to improve training quality.

In 2025, IGG held about 80 internal sharing sessions, covering applications of artificial intelligence, game design, production, art, programming, successful case studies and more. Employees from all over the world attended more than 100 courses, lectures or training sessions.

Category	Percentage trained	Average training hours
All employees	100%	20
By gender		
Female	100%	30
Male	100%	15
By employee category		
Non-management roles	100%	20
Management roles	100%	21

CORPORATE SOCIAL RESPONSIBILITY REPORT

7.3 Cross-cultural Integration

Strong global presence is the core competitiveness of IGG. Creating the best games for players all over the world requires international talents with different cultural backgrounds. Teams worldwide interact and exchange ideas frequently via cross-border learning and sharing opportunities, which break cultural barriers and enable the Group to develop international game and application products.

IGG has offices around the world, and many employees from diverse backgrounds are working across international borders. We provide international employees with air tickets for home visits, as well as extra holidays according to their traditions and religions. Additionally, subject to individual preference and internal policies, we offer global health insurance plans and translation assistance for doctor visits, to support employees who are living outside their home countries.

7.4 Compensation and Benefits

We comply with employment regulations in respective countries and regions, such as the Employment Act of Singapore, the Labour Law of the People's Republic of China 《中華人民共和國勞動法》 and the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》. Depending on local circumstances, we employ staff and provide social security benefits for them, such as pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, and contribution to housing provident funds. Our staff are also entitled to paid leaves such as marriage leave, prenatal check and examination leave, maternity leave, paternity leave, childcare leave and annual leave, subject to local requirements. Under the circumstances permitted by local laws, we provide key employees with housing assistance policies to buy a home of their own so that employees can live and work in the best condition, and pursue long-term development together with IGG.

To continuously attract and retain talents, IGG has always been improving its staff remuneration management mechanism and performance appraisal system, and regularly conducting market surveys on compensation and incentive levels. We strive to create an objective, motivated and fair incentive system for our staff around the world, including promotion, bonuses and equity incentive plan, etc.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Employee Communication

The Group values opinions from employees at all levels, and collects feedback and suggestions via several internal communication channels including online suggestion system, employee surveys, and feedback sections of intranet discussion forums.

IGG's online feedback system for work-related suggestions welcomes all staff to raise suggestions on areas such as corporation development, operation and management, team building, and workflow improvement. Specific staff is assigned to collect and process the suggestions raised, and to coordinate relevant parties on the discussion and follow-up of the issue. Suggestions adopted will be implemented in a timely manner and provide updates on the results to the proposer. The reasons for unaccepted suggestions will also be replied to the proposer within seven days. Users can choose to remain anonymous when raising suggestions.

The Group holds fairness and equality as core values and is committed to protecting employees' rights. Employees can file a complaint with their supervisors or human resources department regarding any unfair treatment at work. Responsible persons need to investigate and get back to the employees promptly, and ensure the privacy of relevant employees are protected. IGG has established "Girls Help Girls Union", a system for female employees to support each other in the workplace, comprising senior management members as the jury and female staff volunteers as supporting team, with the aim to provide confidential appeal channel and psychological counselling support.

For communication regarding employee services, using the online feedback system of major offices as examples, employees can openly or anonymously submit complaints or suggestions on areas such as work flows, office environment, cafeterias and meals, or other facilities. Approximately 140 feedback were received and addressed promptly by responsible departments in 2025.

Care Undertakings for Staff

Many IGG employees are working parents. An activity centre for children has been established at the Group's main operating site to provide a wide array of books, educational toys and other facilities. We have also hired professional and caring teachers. Parents can bring their children to study and play in the centre during off hours and weekends. The centre regularly conducts parent-child bonding activities, and provides children with interest classes during winter and summer vacations. Depending on local circumstances, children of employees will receive birthday gifts or a toy-and-book allowance from IGG. In addition, the Group has established an employee welfare committee and set up a trust for middle and senior management level employees and their immediate family members, to provide them with benefits such as medical subsidies, accidental death compensation, and children's scholarship. We established "G-Help", a platform providing assistance to employees or their immediate family members in urgent needs. When encountering major difficulties or unexpected situations, such as natural disasters, injuries or disabilities caused by accidents, lack of basic livelihood support, in need of medical treatment or other assistance, IGG will serve as a strong backing to help.

CORPORATE SOCIAL RESPONSIBILITY REPORT

7.5 Occupational Health and Safety

Complying with the Workplace Safety and Health Act 2006 of Singapore, Work Injury Compensation Act of Singapore and occupational health and safety regulations in other countries and regions where it operates, IGG is committed to providing its staff with a safe, healthy and comfortable working environment. At various major operating sites of the Group, subject to availability, staff not only can enjoy comfortable office spaces, but also have free access to ancillary facilities such as gymnasium, staff cafeteria, and library.

The office building in Fuzhou, Fujian Province, China was fully completed and opened in 2025. The new building has been thoughtfully designed to provide a greener, more comfortable, smarter and more efficient working environment. It is equipped with a full range of facilities, including multimedia training rooms, an auditorium for large-scale conferences, a multi-functional fitness centre, a restaurant-standard staff cafeteria, as well as a children's activity centre and a nursing room. These facilities help create a more comfortable, convenient and inclusive workplace that fosters a strong sense of belonging for our employees.

Office facilities of the Group are equipped with security and fire safety systems to strictly protect workplace safety. To regulate security management at major office premises, internal policies such as the "Fire Emergency Plan", "Emergency Plan for Flood Prevention", "Entrance/Exit Policy for Visitors, Assets and Vehicles" stipulate responsible departments, task allocation, response protocols for respective roles and areas for attention. Besides, we organise fire drills annually to enable all staff to familiarise with fire safety knowledge, evacuation routes and use of fire extinguishers. Examination and assessment on fire facilities are conducted monthly to eradicate all fire hazards in the workplace. Furthermore, anti-terrorism and anti-attack drills were held from time to time at some operating sites for the emergency response team and security team to practice on the anti-terrorism procedures in simulated situations, to clarify roles and responsibilities, and improve emergency response ability.

At offices with staff cafeterias, internal policies such as the "Staff Cafeteria Management and Penalty Policy", "Staff Cafeteria Hygiene Management Policy", and "Policy for Procurement and Acceptance of Food Items" are implemented to ensure food safety, setting out standards for hygiene requirements, food safety, food procurement, and code of conduct for cafeteria staff.

CORPORATE SOCIAL RESPONSIBILITY REPORT

We strive to promote health and well-being among employees. The Group's main operating sites have in-house clinic and doctors to offer medical assistance and health counselling services. We organise staff to receive periodic physical examination, publish articles to promote knowledge and awareness on healthy living and disease prevention, and invite doctors of various specialties to conduct health knowledge lectures and free consultations, covering topics such as occupational health, prevention and treatment of common diseases, first aid, health care, and mental wellness. In 2025, subsidiary companies organised over 30 free medical consultations, health seminars, and health knowledge campaigns, with participation exceeding 700 person-times. In addition to the statutory basic health insurance, we also purchase commercial medical insurance and accident insurance subject to local circumstances, individual preferences and needs. To create a healthy work environment and reduce occupational health risks for our employees, we have selected office furniture that adheres to ergonomic standards.

IGG also cares for employees' mental well-being. We collaborate with licensed psychological counselling professionals to offer comprehensive support including clinical assessments, therapy sessions, and personalised coping strategies. Additionally, we have introduced bite-sized online courses tailored for emotional management and stress alleviation, empowering employees to build emotional resilience through these dedicated resources.

For the past three years (including the reporting year), the Group has had no work-related fatalities. In 2025, the number of lost workdays due to work injury was 15 days.



Comfortable Office Environment

CORPORATE SOCIAL RESPONSIBILITY REPORT

7.6 Staff Activities

Arts and Sports Activity Clubs

IGG has set up several staff clubs, including sports, dance, art and culture, and book club, and provided funding for club activities. The clubs held 829 activities in 2025, providing employees with a wide array of activities outside working hours.

Holiday Events and Team Activities

IGG always brings fun and pleasant surprises to its employees with creative events. On traditional festivals, holidays, and staff birthdays, IGG will prepare gifts, food, games and more. In addition to holiday activities, IGG also organises team bonding activities for all employees to ease work stress while enhancing team cohesion.



Annual Party

CORPORATE SOCIAL RESPONSIBILITY REPORT



Family Day



Team-building Trips

CORPORATE SOCIAL RESPONSIBILITY REPORT

8 COMMUNITY CONTRIBUTION

IGG has been actively fulfilling its social responsibilities, participating in local community events in the places where it operates. We not only incorporate conventional ways such as charitable donations and volunteer activities in our community engagement efforts, but also leverage our industry expertise to give back to the society, integrating information and internet technology with corporate social responsibility.

In 2025, the Group made charitable donations of approximately HK\$1,690,000.

8.1 Empowering Talent Development in the Gaming Industry

Cultivating talents with passion and expertise for the gaming industry and providing them with career opportunities are an investment for IGG's and the industry's future. Through a variety of projects around the world, IGG cooperates with tertiary institutions to provide young people who are interested in games with opportunities to understand and enter the game industry, broaden their career development prospects, and grow a talent pool for the Group. In 2025, 143 interns have completed their training programmes with IGG.

IGG worked with universities, serving as the schools' technical training base and sharing its industry insights with college students. The Group developed internship programmes, and students can earn professional training credits to fulfil respective course requirements at tertiary institutions in Singapore from their internship at IGG. We donated scholarships to tertiary institutions in Singapore for students from game-related majors with outstanding academic achievement.

8.2 Promotion of Traditional Culture

We remain dedicated to promoting history and cultural heritage around the world. In 2025, "Lords Mobile" partnered once again with the Emperor Qinshihuang's Mausoleum Site Museum in China to launch the "Return to the Mausoleum" event. Leveraging stunning in-game landscapes and epic storytelling, the event immersed players in the uncharted territories of the mausoleum, unraveled hidden historical mysteries, and showcased the grandeur of the Qin civilisation. To celebrate the ninth anniversary of "Lords Mobile", we invited Master Fu Jian, a distinguished arts and crafts artist, to create a co-branded artwork using Su embroidery, a craft with thousands of years of history originating from the Wu region in China. The work perfectly integrates this classical oriental embroidery technique with game elements. We also engaged players through in-game missions to participate in the inheritance and promotion of the culture, bringing the delicate aesthetics and profound heritage of Su embroidery to a global audience. Furthermore, "Viking Rise" expanded the global reach of Nordic history and culture. We sponsored the "Viking Temple Festival" in Catoira, Spain, where a custom-made longship model was donated to the local museum for permanent display, garnering official promotional support from the municipal government. Besides, we partnered with the immersive exhibition "Vikings – Explorers and Conquerors" in Hamburg, Germany, to effectively communicate the history of the Viking Age to a worldwide audience.

CORPORATE SOCIAL RESPONSIBILITY REPORT



Lords Mobile's collaboration with the Emperor Qinshihuang's Mausoleum Site Museum



Viking Rise's collaboration with immersive exhibition "Vikings – Explorers and Conquerors"

CORPORATE SOCIAL RESPONSIBILITY REPORT

8.3 Charity Activities

In the field of public welfare, we are committed to turning the influence of games into a force for spreading goodwill and creating social value. “Lords Mobile” partnered with Make-A-Wish International to launch a charity campaign during Thanksgiving. We made donations to help children with critical illnesses fulfill their wishes, enabling in-game activities to become kindness in the real world. We also collaborated with “Desert Post Office”, a public welfare initiative, to launch a tree adoption program in the Tengger Desert, engaging players to plant hundreds of saplings in support of ecological protection. “Doomsday: Last Survivors” collaborated with Ecomar Foundation, a prominent non-profit marine conservation organisation in Spain. Using its game background of a resource-depleted, ecologically collapsed apocalyptic world, the game translated warnings from the virtual realm into real-world environmental calls, aligning with Ecomar’s core mission. Through mini-games, exclusive charity packs, and interview videos, the game conveyed the importance of marine conservation in a comprehensive manner. “Time Princess” partnered with the World Literacy Foundation to support emerging female authors and give children better access to books, converting in-game activities into real-world reading resources.

IGG keeps a keen interest and participates in charitable programmes worldwide. In 2025, we responded to urgent calls for help around the world and brought care and hope through tangible actions. Following a serious fire at Wang Fuk Court in Tai Po, Hong Kong, IGG immediately donated HK\$1.1 million to a special fund set up by the Home and Youth Affairs Bureau of the Hong Kong SAR Government, helping affected residents overcome difficulties and rebuild their homes. Continuing our tradition of care, IGG once again visited Shanghai Yiren Family Care Service Centre and Fujian Chenxing Centre for Patients with Critical Illnesses, providing daily necessities to children with critical illnesses and their families. To support education, we have provided financial aid to several disadvantaged students to complete school education for eight consecutive years. IGG took part in a village-enterprise partnership program for rural development organised by the local government of Shanghai, China, to support rural communities in Yunnan Province and improve local people’s lives through practical assistance and cooperation. In addition, IGG supports its employees in volunteering activities. Employees initiate a volunteering community and organise charity sales to raise funds for the less fortunate.

CORPORATE SOCIAL RESPONSIBILITY REPORT



Doomsday: Last Survivors' collaboration with Ecomar in marine conservation

9 GREEN OPERATION

9.1 Climate-related Risks and Opportunities

Governance, Strategies and Processes

The Group has fully integrated the supervision and management of climate-related risks and opportunities into its existing ESG governance framework. The Board assumes supervisory responsibilities to ensure the integration of the Group's overall business strategy and environmental management. For effective implementation, the ESG working group is responsible for the coordination, promotion and implementation of environmental management, and regularly reports to the Board on the progress and effectiveness. In addition, in the event of emergencies where major climate policy changes or extreme weather issues may affect operations, the ESG working group may also activate a special reporting mechanism to ensure that the Board can promptly grasp the situation and provide guidance on responses and decision-making.

CORPORATE SOCIAL RESPONSIBILITY REPORT

We continuously monitor the latest climate-related policies, international standards, technological trends and industry developments. Through tools such as scenario analysis and energy consumption data tracking, we systematically assess climate-related risks and opportunities. The management measures formulated based on the assessment results have been integrated into the Group's regular processes such as daily R&D, operations, procurement and risk management, ensuring the progress of climate management and business operations.

The Group's core business is the development and operation of games and mobile applications. Climate-related impacts mainly stem from energy consumption during operations, including direct energy consumption in office premises and indirect emissions generated by leased data centres and cloud services in the upstream of the value chain. Our assessment indicates that the overall climate risks faced by the Group are low. The current management focus is on improving operational energy efficiency, reducing energy consumption costs, and monitoring of changes in relevant regulations to continuously enhance resource efficiency and support environmental protection goals.

Assessment and Response Measures of Climate-Related Risks and Opportunities

The Group has established a climate risk assessment mechanism that considers factors such as business model, value chain and financial impact, and conducts analysis for different climate scenarios to identify risks and opportunities and assess their impact on the Group.

Analysis Scope

It covers the Group's core business. Unless otherwise stated, the geographical boundary includes the scope of the Group's subsidiaries, which is consistent with other chapters of the 2025 annual report of the Company.

Scenario Setting

Based on public research, the Group has set two climate scenarios for assessment and analysis: a low-emission scenario (consistent with the Paris Agreement) and a high-emission scenario (business as usual).

CORPORATE SOCIAL RESPONSIBILITY REPORT

Time Horizons

The time horizon is divided into short-term (zero to three years), medium-term (three to 10 years) and long-term (more than 10 years). The short-term plan aligns with the Group’s annual business plan, focusing on current business operations, efficiency improvement and risk management. The medium-term plan corresponds to the cycle of technological iteration and business strategic planning, emphasizing the enhancement of core market competitiveness and business optimisation. The long-term plan is in line with industry trends and the Group’s long-term development vision, focusing on forward-looking layout and sustainable value creation.

Scenario Analysis

	Low-emission scenario	High-emission scenario
Description	The low-emission scenario is based on the goals of the Paris Agreement and references the Net Zero Emissions by 2050 Scenario developed by the International Energy Agency (IEA). This scenario assumes proactive global climate action to achieve substantial reductions in greenhouse gas (GHG) emissions.	The high-emission scenario assumes that the world only implements existing climate and energy policies, without adopting more ambitious emission reduction measures. As a result, GHG emissions remain high over the long term, and climate change risks continue to intensify.
Impact on the Group and mitigation strategies	Under this scenario, the Group will focus on transition risks, particularly changes in consumer behaviour, policy and market incentives. At the same time, the Group will also monitor business opportunities arising from the low-carbon transition, including technological innovation and product upgrading.	Under this scenario, the Group will focus more on physical risks, especially disasters caused by extreme weather events.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Physical Risk

Risk	Urgency	Description	Potential impacts	Intensity	Responses
Natural disaster	Acute	Natural disasters such as typhoons, floods, and earthquakes may be caused by climate change, posing safety risks to employees.	Incidents such as power outages, office closures, casualties, facility damage, data loss may occur, leading to financial losses.	Short-term: Low Medium-term: Low Long-term: Low	Data Security Assurance: We have strengthened data backup and established response mechanisms and disaster recovery plans to address potential risks such as server failures, anomalies, power outages and natural disasters. For details, see “6.2 Business Continuity and Resilience”.
Extreme high temperatures	Acute	Increased cooling demand may result in power supply shortages. High temperatures pose health risks to employees.	Power shortages may disrupt the operation of equipment and data centres, leading to revenue losses. The corresponding increase in cooling energy consumption and rising electricity prices may lead to higher operating costs.	Short-term: Low Medium-term: Low Long-term: Low	Office Premises Safety Management: To effectively respond to natural disasters and extreme weather events, the Group has formulated corresponding policies and emergency plans, and regularly conducts safety training and drills. For details, see “7.5 Occupational Health and Safety”. Building Energy Conservation and Environmental Protection: Office buildings use eco-friendly materials to enhance thermal insulation and heat resistance.
Water resource pressure (e.g., drought)	Chronic	Water shortages may affect continuous operations and result in additional procurement expenses.	Operating costs may increase.	Short-term: Low Medium-term: Low Long-term: Low	Improve water use efficiency. For details, see “9.4 Waste and Water Resource Management”.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Transition Risk

Risk	Description	Potential impacts	Intensity	Responses
Policies and regulations	Governments around the world may introduce emission reduction regulations and impose increasingly stringent information disclosure requirements.	Additional funding may be required to comply with regulatory obligations. Rising carbon credit prices may lead to higher operating expenses.	Short-term: Low Medium-term: Low Long-term: Medium	Closely monitor regulatory developments related to climate change to ensure the Group's operations remain compliant with relevant laws and regulations. Strengthen carbon emission management and promote energy conservation and emission reduction.

Transition Opportunity

Risk	Description	Potential impacts	Intensity	Responses
Products, services and markets	Market demand for products and services related to environmental protection and sustainable development may grow.	R&D and operation expenditures may increase.	Short-term: Low Medium-term: Low Long-term: Low	Continuously monitor the application of green technologies and integrate the concept of sustainable development into our products and services to meet market expectations.
Application of energy conservation measures	New energy-saving technologies may be promoted and applied.	Operating expenses may be reduced.	Short-term: Low Medium-term: Low Long-term: Medium	Assess the feasibility of new technologies and new equipment.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Transition Plan and Financial Impact

As the Group's core business is mainly online services, the direct environmental and climate-related impacts of its operating activities during the reporting period were minimal. Upon assessment, the Group has not identified any climate-related risks or opportunities that could materially affect its financial position, operating results or cash flows.

Given the nature of its business, the identified risks may not result in material adjustments to the carrying amounts of the Group's assets or liabilities in the next reporting year, nor will they have a material impact on its short, medium or long-term financial performance. Meanwhile, given the Group's stable business model and low environmental impact, no material investments, asset disposals or business transition plans are required at this stage, nor has there been any additional funding requirement or change to financing arrangements in this regard.

As no material climate-related risks or opportunities have been identified, and the relevant assets and business activities do not represent a material amount or proportion, the Group considers that further quantitative disclosures regarding climate-related financial impacts are not currently necessary. The Group will continue to monitor regulatory requirements and changes in climate-related risks, and will provide supplementary disclosures on a timely basis in the event of material changes.

9.2 Climate-related Targets

IGG gradually established its own environmental management and information collection procedures and disclosed them to various stakeholders in this report. The Board continuously took a responsible attitude towards the environmental impact of the Group and incorporated the environmental factors such as climate change into the risk management and cost control system by monitoring the environmental data. Therefore, IGG has established a unified environment management system in the locations where it operates and is committed to improving its environment management further. We have also introduced to employees the concept of energy saving and environmental protection, encouraging every employee to adopt a sustainable lifestyle and spread the concept of sustainability to their families and communities.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Prior Year Targets Review

The Group has achieved its 2024 targets related to saving energy and water, and reducing waste and emissions.

Targets	Status
The self-use office building in Fuzhou, Fujian Province, China meets the Chinese national “Assessment Standard for Green Building”.	The office building was designed in accordance with China’s “Assessment Standard for Green Building”, constructed strictly in line with the design specifications, and successfully passed the completion acceptance inspection by government authorities in 2025.
Promote and implement relevant energy conservation measures, and conduct periodical review, with the aim to achieve the goal of improving energy use efficiency, reducing waste generation and carbon emissions.	We have effectively implemented various energy conservation and emission reduction measures at the office premises of various subsidiaries and regularly review their implementation. Please refer to “9.3 Energy Management” and “9.4 Waste and Water Resource Management” for detailed measures and data for the Year.

Climate-related Targets Setting

Taking the monthly per capita data for the second half of 2025 as the baseline, the Group targets to reduce Scope II absolute GHG emissions per capita by 5% in 2028. This objective aims to continuously monitor energy use efficiency and steadily drive down per capita emissions. Given that the Group’s self-use office building in Fuzhou, China was officially put into use in 2025, the overall energy consumption entered a relatively stable phase in the second half of 2025. Using data from the second half of 2025 as the baseline can better reflect the actual energy consumption level of office scenarios, and thus ensure the rationality of the target. Based on this target, the Group will accumulate energy use trends and identify actual energy consumption needs in subsequent operations. It will further develop medium and long-term emission reduction plans that are more tailored to the Group’s actual development, more targeted and implementable, so as to steadily advance emission reduction initiatives. The implementation of the target is supervised by the ESG working group, which reports periodically to the Board.

CORPORATE SOCIAL RESPONSIBILITY REPORT

9.3 Energy Management

As a company mainly engaged in the development and operation of mobile games and applications, gas emission is not a significant issue, and relevant environmental laws and regulations do not have a significant impact on the Group. Due to the nature of its business, the Group's energy consumption mainly associates with electricity for office use and gasoline consumption by the company's vehicles. To achieve the targets of energy conservation, consumption reduction and reduction of GHG emissions, the Group has strengthened its management measures, including increasing the frequency of energy consumption data collection and analysis, following up on abnormal indicators, continuously enhancing employees' awareness energy conservation, and improving the management of lighting facilities as well as heating and air conditioning systems in offices. Taking the office building in Fuzhou, China as an example, the building meets the relevant "Green Building" requirements, and demonstrates improved performance in areas such as building energy efficiency, thermal and humidity conditions, and building material selection. The curtain wall features low-emissivity insulating glass and thermal-break metal profiles to reduce heat transfer and solar radiation. In addition, enhanced roof insulation is adopted to further reduce heat transfer and ensure effective energy conservation. Furthermore, the building is equipped with energy-saving office facilities and a vertical greening system, thereby reducing GHG emissions during the operation phase.

Energy Consumption

Type of Energy	Unit	2025
Energy consumption	kWh	7,490,784
Energy use intensity	kWh per capita	3,244
Gasoline ¹	liter	4,397
Grid electricity consumed by office ²	kWh	7,451,434

GHG Emissions

Type of GHG Emissions	Unit ³	2025
Scope I GHG emissions ⁴	tonne, CO ₂ equivalent	10
Scope II GHG emissions ⁵	tonne, CO ₂ equivalent	3,982
Scope III GHG emissions ⁶	tonne, CO ₂ equivalent	827
Total GHG emissions	tonne, CO ₂ equivalent	4,819
GHG emissions intensity	tonne, CO ₂ equivalent per capita	2.08

CORPORATE SOCIAL RESPONSIBILITY REPORT

- ¹ The scope of statistics for gasoline consumption covers vehicles owned by IGG and all entities controlled by it.
- ² The scope of statistics for grid electricity consumed by office includes IGG and entities controlled by it which have independent statistical collection mechanisms for electricity consumed, covering more than 99% of employees of the Group. The office building located in Fuzhou, China, was put into use in 2025. As its total area is several times larger than the previous office premises, the basic electricity demand has increased. In addition, the building also consumes energy for external lighting, heating and cooling systems, security, fire protection and other supporting facilities, resulting in a significant rise in electricity consumption compared with the previously rented office space.
- ³ Carbon dioxide equivalent is used as a measure to compare GHG emissions. The calculations of carbon dioxide equivalent have included GHG emissions from sources, including carbon dioxide, methane and nitrous oxide etc.
- ⁴ According to the ISO 14064 GHG inventory standards, Scope I GHG emissions refers to direct greenhouse gas emissions, particularly direct emission sources owned and controlled by the organisation, such as emissions from its own vehicles. Calculations are based on the actual consumption method, and emission factors are from public data published by international authoritative institutions.
- ⁵ According to the ISO 14064 GHG inventory standards, Scope II GHG emissions refers to indirect energy emission sources, such as indirect greenhouse gas emissions caused by purchased electricity. The Group's Scope II emissions are mainly generated from purchased electricity for office use, of which 99% comes from Asia and the remaining 1% from other regions. Calculations are based on the actual consumption method, and emission factors are from public data published by international authoritative institutions.
- ⁶ According to the ISO 14064 GHG inventory standards, Scope III GHG emissions refers to other indirect GHG emissions arising from an organisation's activities that are not generated from emission sources owned or controlled directly by the organisation. Pursuant to the Greenhouse Gas Corporate Value Chain (Scope III) Accounting and Reporting Standard, Scope III emissions from the Group's core business primarily derive from "Category 1: Purchased Goods and Services" and "Category 8: Upstream Leased Assets", accounting for 55% and 45% of the Group's total Scope III emissions respectively. Emissions under Category 1 (including cloud services and related services) are calculated using the spend-based method, with emission factors sourced from publicly available data published by internationally recognised authoritative bodies. Emissions under Category 8 (including data centre leasing) are measured using the actual consumption method, with emission factors obtained from suppliers' public disclosures as well as publicly available data from international authoritative organisations.

CORPORATE SOCIAL RESPONSIBILITY REPORT

9.4 Waste and Water Resource Management

As an information technology company, the Group's major products and services are sold online and do not involve packaging materials. IGG identified the two major sources of waste: scrapped IT equipment and printing consumables. Therefore, IGG has adopted corresponding measures to reduce resource consumption, encourage recycling and reduce waste generation.

For IT equipment unable to meet working requirements, we will dispose of it through donating to charities or engaging professional recycling agents depending on the condition of the equipment, with the aim of making the best use of the equipment and minimising impact on the environment by electronic waste. For printing consumables, we have always been promoting a low-carbon and eco-friendly work place among all employees, by encouraging going paperless in work processes, recycling paper, reducing usage of paper and printing consumables, to reduce waste production from the source.

The Group's water comes from municipal sources, and sourcing water is not a relevant issue. To achieve qualitative targets to lower water consumption, we strengthen measures such as increase the frequency of data collection and analysis, follow up on irregular indicators, enhance on promoting water-saving awareness, and improve management and maintenance of water facilities. Taking the office building in Fuzhou, China as an example, sponge city rainwater harvesting and storage modules have been adopted to enable rainwater collection and reuse.

Generation of Hazardous and Non-Hazardous Waste

Type of Waste Produced	Unit	2025
Discarded modulator tube	piece	646
Discarded toner and ink cartridge	piece	125
Discarded battery	piece	1,278
Scrapped IT equipment – host and monitor	piece	433
Scrapped IT equipment – others	piece	97
Domestic waste ⁷	liter	3,548,391
Printer paper	kg	1,956

Water Consumption

Type of Water Consumption	Unit	2025
Office water consumption ⁸	tonne	38,871

CORPORATE SOCIAL RESPONSIBILITY REPORT

- ⁷ Density: 1,529 liters per capita. Domestic waste was handled by property management or waste clearance service providers of respective offices, and detailed clearance records are not available. Estimated volume of domestic waste was calculated by considering the approximate average amount produced daily, number of working days, and estimated volume of waste at the time of clearing from office premise before compression. The office building in Fuzhou, China was put into use in 2025. The area of office and supporting facilities has expanded significantly, with more public spaces such as underground parking lots and campus yards. As a result, the volume of waste generated such as garbage and fallen leaves has increased considerably. Through strengthened environmental management, the growth rate of waste volume has been kept much lower than the growth rate of office areas, demonstrating the effectiveness of our environmental management measures.
- ⁸ Density: 19.88 tonnes per capita. The scope of statistics for office water consumption includes IGG and entities controlled by it which have independent statistical collection mechanisms for water consumed, covering about 84% of employees of the Group. The office building in Fuzhou, China was put into use in 2025. The area of office and various supporting facilities has expanded significantly, resulting in an increase in water demand. The new building comprises office floors, basements, campus yards and other areas, resulting in a substantial expansion of cleaning coverage. Supporting facilities have been further upgraded, including newly added catering facilities and a greater number of toilets and washing facilities. The large-scale landscape greening areas within the campus also require regular maintenance and irrigation. In addition, employees' daily activities and the overall utilisation frequency of supporting facilities have increased. Meanwhile, we have actively implemented water conservation initiatives such as rainwater recycling. As a result, the growth rate of water consumption has been significantly lower than that of the office area, demonstrating effective water management.

CORPORATE SOCIAL RESPONSIBILITY REPORT

APPENDIX KPI INDEX OF ESG CODE OF THE STOCK EXCHANGE

This KPI index provides a description of compliance with each of the “comply or explain” indicators of the ESG Reporting Code by the Group during the reporting period.

Issue	ESG Reporting Code Requirements	Report Chapter	Remarks
Part C: “Comply or Explain” Provisions			
A. Environmental			
A1 Emissions	General disclosure Key performance indicators A1.3, A1.4, A1.5, A1.6	Green operation	Since the Group is principally engaged in the development and operation of mobile games and applications, and gas emission and hazardous waste are not significant issues of business activities, data under A1.1 and density under A1.3 are not included.
A2 Use of resources	General disclosure Key performance indicators A2.1, A2.2, A2.3, A2.4	Green operation	Since the Group’s core business involves the development and operation of mobile games and applications, and does not involve packaging materials, A2.5 is not included.
A3 The environment and natural resources	General disclosure	N/A	The Group is principally engaged in the development and operation of mobile games and applications without any significant impact on the environment and natural resources.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Issue	ESG Reporting Code Requirements	Report Chapter	Remarks
Part C: “Comply or Explain” Provisions			
B. Social			
B1 Employment	General disclosure Key performance indicators B1.1, B1.2	Caring for employees – 7.1	
B2 Health and safety	General disclosure Key performance indicators B2.1, B2.2, B2.3	Caring for employees – 7.5	
B3 Development and training	General disclosure Key performance indicators B3.1, B3.2	Caring for employees – 7.2	
B4 Labour standards	General disclosure Key performance indicators B4.1, B4.2	Caring for employees	During the reporting period, the laws and regulations regarding the prevention of child labour and compulsory labour were complied with.
B5 Supply chain management	General disclosure Key performance indicators B5.1, B5.2, B5.3, B5.4	Supplier management	
B6 Product responsibility	General disclosure Key performance indicators B6.2, B6.3, B6.4, B6.5	Products and services – 6.3, 6.4, 6.5, 6.6, 6.7, 6.8	The Group’s core business involves the development and operation of mobile games and applications, and does not include items which may lead to recall due to health and safety reasons. Hence data under B6.1 and recall procedures under B6.4 are not included.
B7 Anti-corruption	General disclosure Key performance indicators B7.1, B7.2, B7.3	Business ethics – 4.1	
B8 Community investment	General disclosure Key performance indicators B8.1, B8.2	Community contribution	

CORPORATE SOCIAL RESPONSIBILITY REPORT

Issue	ESG Reporting Code Requirements	Report Chapter	Remarks
Part D: Climate-related Disclosures			
(I) Governance	19	Green operation – 9.1	As the Group's online operating model has an extremely low direct impact on climate, climate-related performance metrics are currently not included in the remuneration policies. (19 (a)(iv))
(II) Strategy	Climate-related risks and opportunities 20, Business model and value chain 21, Strategy and decision-making 22, 23, Financial position, financial performance and cash flows 24, 25, Climate resilience 26	Green operation – 9.1	The nature of the Group's core business has an extremely low impact on the environment and climate change. No material climate-related risks or opportunities have been identified, nor are there circumstances that would result in a material adjustment to the carrying amounts of assets or liabilities. Given the stable nature of the business and the absence of related transition plans, the Group considers it unnecessary to disclose climate-related financial effects. (24 and 25)
(III) Risk management	Risk management 27	Green operation – 9.1	

CORPORATE SOCIAL RESPONSIBILITY REPORT

Issue	ESG Reporting Code Requirements	Report Chapter	Remarks
(IV) Metrics and targets	Greenhouse gas emissions 28, 29, Climate-related transition risks 30, Climate-related physical risks 31, Climate-related opportunities 32, Capital deployment 33, Internal carbon prices 34, Remuneration 35, Industry-based metrics 36, Climate-related targets 37-40, Applicability of cross-industry metrics and industry-based metrics 41	Green operation – 9.2-9.4	<p>As the Group’s core business operates under a light-asset, low environmental impact online service model, no significant climate-related transition risks, physical risks or opportunities have been identified. As its business activities and assets do not involve material amounts or proportions vulnerable to such risks or opportunities, the Group has not disclosed the amount and percentage of assets or business activities. (30-32)</p> <p>No transition plan requiring dedicated funding has been identified to date. Therefore, no specific capital expenditure, financing or investment has been deployed towards climate-related risks and opportunities. (33)</p> <p>Meanwhile, the Group does not currently apply an internal carbon price in investment decision-making or internal management, and climate-related considerations are not factored into the remuneration policy for senior management. (34 and 35)</p>

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is a renowned global developer and operator of mobile games and applications with headquarters in Singapore and local offices in the United States, China, Canada, Japan, South Korea, Thailand, the Philippines, Indonesia, Brazil, Türkiye, Italy and Spain. There has been no significant change in the Group's principal activities during the Year.

SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 31 December 2025 are set out in note 16 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five years ended 31 December 2025 is set out on page 230 of the annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the audited consolidated statement of comprehensive income in this annual report.

On 26 March 2025, the Board resolved to declare a second interim dividend of HK6.4 cents per ordinary Share for the year ended 31 December 2024, amounting to approximately HK\$75 million. Such dividend has been paid on 28 April 2025.

On 27 August 2025, the Board resolved to declare an interim dividend of HK8.3 cents per ordinary Share and a special dividend of HK5.6 cents per ordinary Share for the half year ended 30 June 2025, amounting to a total of HK13.9 cents per ordinary Share, with an aggregate amount of approximately HK\$160 million. Such dividend has been paid on 26 September 2025.

On 25 March 2026, the Board resolved to declare a second interim dividend of HK6.7 cents per ordinary Share and a special dividend of HK47.7 cents per ordinary Share for the year ended 31 December 2025, amounting to a total of HK54.4 cents per ordinary Share, with an aggregate amount of approximately HK\$624 million. Such dividend will be paid on or about 27 April 2026.

DIRECTORS' REPORT

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to the 2025 second interim dividend and special dividend

The register of members of the Company will be closed from Tuesday, 14 April 2026 to Thursday, 16 April 2026, both days inclusive, during which period no transfer of Shares will be registered for the purpose of determining shareholders' entitlements to the 2025 second interim dividend and special dividend. The record date for entitlement to the 2025 second interim dividend and special dividend is on Thursday, 16 April 2026. In order to qualify for the 2025 second interim dividend and special dividend, all transfers of Shares, accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 13 April 2026. The payment date of the 2025 second interim dividend and special dividend is expected to be on or about Monday, 27 April 2026.

(b) Entitlement to attend and vote at the 2026 annual general meeting

The annual general meeting of the Company is scheduled to be held on Wednesday, 27 May 2026. The register of members of the Company will be closed from Thursday, 21 May 2026 to Wednesday, 27 May 2026, both days inclusive, during which period no transfer of Shares will be effected. The record date for entitlement to attend and vote at the 2026 annual general meeting is on Wednesday, 27 May 2026. In order to qualify for attending and voting at the annual general meeting, all transfers of Shares, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 May 2026.

RESERVES

Details of movements in reserves of the Group and the Company for the Year are set out in the consolidated statement of changes in equity and note 29 to the financial statement, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Act (As Revised) of the Cayman Islands, amounted to approximately HK\$3.71 billion. The amount represents the Company's share premium and retained earnings in aggregate as at 31 December 2025, which may be distributed provided that immediately following the date on which dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

CHARITABLE DONATIONS

Details of the charitable donations by the Group for the Year are set out in the section headed "Corporate Social Responsibility Report – 8 Community Contribution".

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group for the Year are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in note 29 to the financial statements.

DIRECTORS

The Directors during the Year and as of the date of this annual report were:

Executive Directors

Mr. Zongjian Cai (*Chairman and chief executive officer*)

Mr. Yuan Xu

Mr. Hong Zhang

Ms. Jessie Shen

Mr. Feng Chen

Non-executive Director

Mr. Yuan Chi

Independent Non-executive Directors

Mr. Kam Wai Man

Ms. Feng Li

Mr. Tan Hup Foi (appointed on 28 May 2025)

Dr. Horn Kee Leong (resigned on 28 May 2025)

The Company has received annual confirmations of independence from each of the existing independent non-executive Directors. The Company considers that all the independent non-executive Directors are independent in accordance with the Listing Rules.

In accordance with Article 84 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Based on the above, Mr. Yuan Xu, Mr. Yuan Chi and Mr. Kam Wai Man shall retire from office at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REPORT

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out on pages 19 to 23 of this annual report.

DISCLOSURE OF INTEREST AS PER REGISTERS KEPT PURSUANT TO THE SFO

(a) Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are 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 are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Listing Rules were as follows:

Long positions in shares of the Company and its associated corporation

Interests in	Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
1. The Company	Mr. Zongjian Cai (Notes 1, 2)	Beneficial owner, interest in a controlled corporation, spouse interest, interests held jointly with another person	266,101,777	22.64%
	Mr. Yuan Xu (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
	Mr. Hong Zhang (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
	Ms. Jessie Shen (Note 3)	Beneficial owner	5,841,651	0.50%
	Mr. Feng Chen (Note 4)	Beneficial owner	14,770,082	1.26%

DIRECTORS' REPORT

Interests in	Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
	Mr. Yuan Chi (Note 5)	Beneficial owner, interest in a controlled corporation	154,187,000	13.12%
	Mr. Kam Wai Man (Note 6)	Beneficial owner	138,500	0.01%
	Ms. Li Feng (Note 7)	Beneficial owner	39,500	0.00*%
	Mr. Tan Hup Foi (Appointed on 28 May 2025) (Note 8)	Beneficial owner	30,000	0.00*%
2. Associated corporation: UGen World Inc.	Mr. Yuan Xu (Note 9)	Beneficial owner	–	–
	Mr. Hong Zhang (Note 10)	Beneficial owner	–	–

* This percentage represents a percentage less than 0.01.

Notes:

- (1) Pursuant to an acting in concert agreement dated 16 September 2013, as amended by an amendment dated 18 October 2016, Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen (spouse of Mr. Zongjian Cai) and Mr. Zhixiang Chen agreed that they would act in concert with each other with respect to material matters relating to the Company's operation. Each of Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen and Mr. Zhixiang Chen is therefore deemed to be interested in the Shares held by one another under the SFO.
- (2) Mr. Zongjian Cai was the beneficial owner of 746,000 Shares. Mr. Zongjian Cai was also interested in all the issued share capital of Duke Online and he is the sole director of Duke Online. Therefore, he was deemed to be interested in 193,752,027 Shares held by Duke Online under the SFO. Mr. Zongjian Cai was deemed to be interested in all Shares held by Ms. Kai Chen under the SFO. On 21 May 2021, 38,444,306 Performance-based Awarded Shares were awarded to Mr. Zongjian Cai under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 7,688,862, 7,688,861, 7,688,861 and 7,688,861 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 312,000 awarded Shares were granted to Mr. Zongjian Cai under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Zongjian Cai will be beneficially interested in 8,000,861 Shares.

DIRECTORS' REPORT

Mr. Yuan Xu was the beneficial owner of 14,855,959 Shares. On 21 May 2021, 7,163,535 Performance-based Awarded Shares were awarded to Mr. Yuan Xu under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 1,432,707 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 243,000 awarded Shares were granted to Mr. Yuan Xu under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Yuan Xu will be beneficially interested in 1,675,707 Shares.

Mr. Hong Zhang was the beneficial owner of 11,659,835 Shares. On 21 May 2021, 6,447,181 Performance-based Awarded Shares were awarded to Mr. Hong Zhang under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 1,289,437, 1,289,436, 1,289,436 and 1,289,436 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 210,000 awarded Shares were granted to Mr. Hong Zhang under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Hong Zhang will be beneficially interested in 1,499,436 Shares.

Ms. Kai Chen was the beneficial owner of 17,876,852 Shares. She was also deemed to be interested in all Shares held by Mr. Zongjian Cai under the SFO. On 28 May 2025, 14,500 awarded Shares were granted to Ms. Kai Chen under the Share Award Scheme, among which 7,250 awarded Shares will be vested on 28 May 2026 and the remaining 7,250 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Ms. Kai Chen will be beneficially interested in 14,500 Shares.

Mr. Zhixiang Chen was the beneficial owner of 16,000,000 Shares. On 28 May 2025, 20,600 awarded Shares were granted to Mr. Zhixiang Chen under the Share Award Scheme, among which 10,300 awarded Shares will be vested on 28 May 2026 and the remaining 10,300 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Mr. Zhixiang Chen will be beneficially interested in 20,600 Shares.

- (3) Ms. Jessie Shen was the beneficial owner of 4,563,000 Shares. On 21 May 2021, 5,253,259 Performance-based Awarded Shares were awarded to Ms. Jessie Shen under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 1,050,652 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 228,000 awarded Shares were granted to Ms. Jessie Shen under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Ms. Jessie Shen will be beneficially interested in 1,278,651 Shares.
- (4) Mr. Feng Chen was the beneficial owner of 14,031,000 Shares. On 21 May 2021, 2,865,414 Performance-based Awarded Shares were awarded to Mr. Feng Chen under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 573,083 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 166,000 awarded Shares were granted to Mr. Feng Chen under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Feng Chen will be beneficially interested in 739,082 Shares.

DIRECTORS' REPORT

- (5) Mr. Yuan Chi was the beneficial owner of 691,000 Shares. Mr. Yuan Chi was also interested in all the issued share capital of Edmond Online and he is one of the directors of Edmond Online. Therefore, he was deemed to be interested in 153,434,000 Shares held by Edmond Online under the SFO. On 28 May 2025, 62,000 awarded Shares were granted to Mr. Yuan Chi under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Yuan Chi will be beneficially interested in 62,000 Shares.
- (6) Mr. Kam Wai Man was the beneficial owner of 108,500 Shares. On 28 May 2025, 30,000 awarded Shares were granted to Mr. Kam Wai Man under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Kam Wai Man will be beneficially interested in 30,000 Shares.
- (7) Ms. Feng Li was the beneficial owner of 19,500 Shares. On 28 May 2025, 20,000 awarded Shares were granted to Ms. Feng Li under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Ms. Feng Li will be beneficially interested in 20,000 Shares.
- (8) On 28 May 2025, 30,000 awarded Shares were granted to Mr. Tan Hup Foi under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Tan Hup Foi will be beneficially interested in 30,000 Shares.
- (9) As at 31 December 2025, Mr. Yuan Xu does not have any interests in the most senior class of shares of UGen World Inc. Mr. Yuan Xu is the holder of US\$100,000 convertible promissory note of UGen World Inc. which can be converted into such number of the most senior class or series of equity securities of UGen World Inc. or such class or series of equity securities of UGen World Inc. existing immediately prior to such conversion as elected by him in his sole discretion pursuant to the terms of the relevant convertible promissory note.
- (10) As at 31 December 2025, Mr. Hong Zhang does not have any interests in the most senior class of shares of UGen World Inc. Mr. Hong Zhang is the holder of US\$60,000 convertible promissory note of UGen World Inc. which can be converted into such number of the most senior class or series of equity securities of UGen World Inc. or such class or series of equity securities of UGen World Inc. existing immediately prior to such conversion as elected by him in his sole discretion pursuant to the terms of the relevant convertible promissory note.

Save as disclosed above, as of 31 December 2025, none of the Directors and chief executive of the Company was, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to Listing Rules.

DIRECTORS' REPORT

(b) Substantial shareholders' and other persons' interests and short positions in Shares and underlying shares

So far as were known to the Directors or chief executive of the Company, as at 31 December 2025, the following persons had interests and/or short positions of 5% or more of the Shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
Duke Online (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Mr. Zongjian Cai (Notes 1, 2)	Beneficial owner, interest in a controlled corporation, spouse interest, interests held jointly with another person	266,101,777	22.64%
Mr. Yuan Xu (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Mr. Hong Zhang (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Ms. Kai Chen (Notes 1, 2)	Beneficial owner, spouse interest, interests held jointly with another person	266,101,777	22.64%
Mr. Zhixiang Chen (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Edmond Online (Note 3)	Beneficial owner	153,434,000	13.05%
Mr. Yuan Chi (Note 3)	Beneficial owner, interest in a controlled corporation	154,187,000	13.12%

Notes:

- (1) Pursuant to an acting in concert agreement dated 16 September 2013, as amended by an amendment dated 18 October 2016, Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen (spouse of Mr. Zongjian Cai) and Mr. Zhixiang Chen agreed that they would act in concert with each other with respect to material matters relating to the Company's operation. Each of Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen and Mr. Zhixiang Chen is therefore deemed to be interested in the Shares held by one another under the SFO.

DIRECTORS' REPORT

- (2) Mr. Zongjian Cai was the beneficial owner of 746,000 Shares. Mr. Zongjian Cai was also interested in all the issued share capital of Duke Online and he is the sole director of Duke Online. Therefore, he was deemed to be interested in 193,752,027 Shares held by Duke Online under the SFO. Mr. Zongjian Cai was deemed to be interested in all Shares held by Ms. Kai Chen under the SFO. On 21 May 2021, 38,444,306 Performance-based Awarded Shares were awarded to Mr. Zongjian Cai under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 7,688,862, 7,688,861, 7,688,861 and 7,688,861 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 312,000 awarded Shares were granted to Mr. Zongjian Cai under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Zongjian Cai will be beneficially interested in 8,000,861 Shares.

Mr. Yuan Xu was the beneficial owner of 14,855,959 Shares. On 21 May 2021, 7,163,535 Performance-based Awarded Shares were awarded to Mr. Yuan Xu under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 1,432,707 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 243,000 awarded Shares were granted to Mr. Yuan Xu under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Yuan Xu will be beneficially interested in 1,675,707 Shares.

Mr. Hong Zhang was the beneficial owner of 11,659,835 Shares. On 21 May 2021, 6,447,181 Performance-based Awarded Shares were awarded to Mr. Hong Zhang under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025 1,289,437, 1,289,436, 1,289,436 and 1,289,436 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 210,000 awarded Shares were granted to Mr. Hong Zhang under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Hong Zhang will be beneficially interested in 1,499,436 Shares.

Ms. Kai Chen was the beneficial owner of 17,876,852 Shares. She was also deemed to be interested in all Shares held by Mr. Zongjian Cai under the SFO. On 28 May 2025, 14,500 awarded Shares were granted to Ms. Kai Chen under the Share Award Scheme, among which 7,250 awarded Shares will be vested on 28 May 2026 and the remaining 7,250 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Ms. Kai Chen will be beneficially interested in 14,500 Shares.

Mr. Zhixiang Chen was the beneficial owner of 16,000,000 Shares. On 28 May 2025, 20,600 awarded Shares were granted to Mr. Zhixiang Chen under the Share Award Scheme, among which 10,300 awarded Shares will be vested on 28 May 2026 and the remaining 10,300 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Mr. Zhixiang Chen will be beneficially interested in 20,600 Shares.

- (3) Mr. Yuan Chi was the beneficial owner of 691,000 Shares. Mr. Yuan Chi was also interested in all the issued share capital of Edmond Online and he is one of the directors of Edmond Online. Therefore, he was deemed to be interested in 153,434,000 Shares held by Edmond Online under the SFO. On 28 May 2025, 62,000 awarded Shares were granted to Mr. Yuan Chi under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Yuan Chi will be beneficially interested in 62,000 Shares.

DIRECTORS' REPORT

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other persons, other than the Directors and chief executives of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures" above in this report, had interests or short positions in the Shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SHARE SCHEMES

1. Share Option Scheme (Terminated on 29 June 2023)

The Company has adopted the Share Option Scheme on 16 September 2013 for the purpose of giving the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible persons shall be (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including a non-executive director and/or an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; (g) an associate of any of the persons referred to in paragraphs (a) to (c) above; and (h) who, in the sole opinion of the Board, will contribute to or have contributed to the Group.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date, i.e., 130,973,709 Shares. No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

DIRECTORS' REPORT

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date (i.e. 18 October 2013) and would have been expired on 17 October 2023 (or such earlier date as resolved by shareholders in general meeting), after which no further options would have been granted or offered. In view of the amendments to the Listing Rules, the Share Option Scheme has been terminated with effect from 29 June 2023 (the "**Termination Date**") by way of an ordinary resolution at the 2023 AGM. For further details, please refer to the announcement and circular of the Company dated 28 March 2023 and 28 April 2023, respectively. Since the Termination Date, no further options has been granted under the Share Option Scheme, and there were 4,635,000 outstanding share options granted but not yet exercised under the Share Option Scheme as at the Termination Date. As at the date of this report, the total number of shares which may be issued upon exercise of all outstanding share options granted but not yet exercised under the Share Option Scheme was 582,000, representing approximately 0.05% of the issued Shares (excluding Treasury Shares).

DIRECTORS' REPORT

Pursuant to Rule 17.07 of the Listing Rules, particulars and movements of share options under the Share Option Scheme during the Year by category of grantees were as follows:

Category of grantees	Date of grant	Exercise price per Share	Outstanding as at 31 December 2024	Number of share options				Outstanding as at 31 December 2025
				Granted during the Year	Exercised during the Year ^(Note)	Lapsed/forfeited during the Year	Cancelled during the Year	
Directors								
Mr. Yuan Xu	23 March 2015	HK\$3.90	613,000	-	-	613,000	-	-
Mr. Hong Zhang	23 March 2015	HK\$3.90	605,000	-	-	605,000	-	-
Ms. Jessie Shen	23 March 2015	HK\$3.90	141,000	-	-	141,000	-	-
Mr. Feng Chen	23 March 2015	HK\$3.90	300,000	-	300,000	-	-	-
Ex-Directors								
Mr. Dajian Yu	23 March 2015	HK\$3.90	150,000	-	150,000	-	-	-
Ms. Zhao Lu	23 March 2015	HK\$3.90	150,000	-	150,000	-	-	-
Director's associate								
Ms. Meijia Chen (cousin of Mr. Yuan Xu, as well as a director of subsidiaries of the Company)	23 March 2015	HK\$3.90	553,000	-	-	553,000	-	-
Employees (Total no.: 12)								
	23 March 2015	HK\$3.90	999,000	-	649,000	350,000	-	-
	19 August 2019	HK\$5.75	290,000	-	-	-	-	290,000
	6 May 2020	HK\$4.91	312,000	-	20,000	-	-	292,000
Total			4,113,000	-	1,269,000	2,262,000	-	582,000

Note: The weighted average closing price of the Shares immediately before the dates on which the share options under the Share Option Scheme were exercised during the year ended 31 December 2025 was HK\$4.40 (for the year ended 31 December 2024: HK\$3.98).

DIRECTORS' REPORT

Particulars of Share Options Granted

23 March 2015

Share options granted on 23 March 2015 can be exercised from a period commencing from the relevant vesting dates and ending 10 years after the date of grant.

Certain number of share options were granted to certain non-executive Directors and all independent non-executive Directors, of which one-third of the total number of share options were vested on each of the date of the annual general meeting in 2016, 2017 and 2018.

The remaining share options were vested in the other eligible grantees from 23 March 2016 to 23 March 2019, of which 25% of the total number of the share options granted were vested on each anniversary date of grant.

19 August 2019

Share options granted on 19 August 2019 were vested in eligible grantees from 19 August 2020 to 19 August 2023. During the vesting period, 25% of the total number of share options granted were vested on each anniversary date of grant. The grantees can exercise the share options commencing from the relevant vesting date and ending 10 years after the date of grant.

6 May 2020

Share options granted on 6 May 2020 were vested in eligible grantees from 6 May 2021 to 6 May 2024. During the vesting period, 25% of the total number of share options granted were vested on each anniversary date of grant. The grantees can exercise the share options commencing from the relevant vesting date and ending 10 years after the date of grant.

Save as disclosed above, during the Year, no other share options under the Share Option Scheme have been granted, exercised, lapsed or cancelled.

DIRECTORS' REPORT

2. Share Award Scheme (Funded by Existing Shares Only)

The Share Award Scheme of the Company was adopted by the Board on 24 December 2013 and amended on 19 August 2021 and 28 March 2023 (effective date: 28 June 2023). The purpose of the Share Award Scheme is to recognise the contributions by certain selected grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Board may, from time to time, at their absolute discretion select any eligible person, who shall be any employee, director or consultant of any member of the Group (excluding any excluded grantee), for participation in the Share Award Scheme as a selected grantee. However, until so selected, no eligible person shall be entitled to participate in the Share Award Scheme. The awarded shares (where the Board has determined such number pursuant to the terms of the Share Award Scheme) shall be acquired by Computershare Hong Kong Trustees Limited, as the trustee (the “Trustee”) from the open market by utilising the Company’s resources provided to the Trustee, subject to the absolute discretion of the Board, and no Shares will be issued under the Share Award Scheme. The Company will contribute or grant cash to the Trustee to enable the Share Award Scheme to operate with necessary funds to purchase Shares. The vesting period shall, in any event, be no longer than 10 years.

It is intended that the awarded shares under the Share Award Scheme will be offered to the selected grantees to take up the relevant awarded shares for no consideration subject to the compliance with the relevant laws and regulations, and certain conditions to be decided by the Board at the time of grant of the awarded shares under the Share Award Scheme. Awarded shares shall be deemed to be accepted by the selected grantee when the Company receives a duplicate of the letter of grant signed by such selected grantee within 28 days after the granting. No amount is payable on acceptance of the awarded shares.

Shares held by the Trustee upon the trust and which are referable to a selected grantee shall vest to that selected grantee in accordance with a vesting schedule determined at the discretion of the Board, provided that the selected grantee remains at all times after the reference date (the date of final approval by the Board of the total number of shares to be awarded to the selected grantees in a single occasion pursuant to the Share Award Scheme or the date of an award by the Trustee pursuant to the trust deed) and on each relevant vesting date(s) an eligible person. The Board may also, in its absolute discretion, determine the performance, operating and financial targets and other criteria, if any, to be satisfied by the selected grantee before the awarded shares can vest.

The Board shall not make any further award which will result in the number of shares awarded by the Board under the Share Award Scheme in excess of 10% of the issued share capital of the Company as at 24 December 2013 (i.e., 135,885,209 Shares). In any event, the unvested shares held by the Trustee at any time shall be less than 5% of the issued share capital of the Company. The Trustee shall not exercise any voting right attached in respect of any Shares held by it under the trust. The maximum number of Shares to all controlling shareholders which may be subject to an award or awards in any of the 12 months shall not in aggregate exceed 2% of the issued share capital of the Company from time to time. The maximum number of Shares which may be subject to an award or awards to a participant at any time under the Share Award Scheme shall not in aggregate exceed 1% of the issued share capital of the Company as at 24 December 2013.

DIRECTORS' REPORT

Subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a renewal term of 10 years commencing on the effective date of the last amendment (i.e. 28 June 2023). As at 31 December 2025, the remaining life of the Share Award Scheme is approximately 7 and a half years.

Details of the Share Award Scheme are set out in the Company's announcements dated 24 December 2013, 19 August 2021 and 28 March 2023.

Particulars and movements of the awarded shares under the Share Award Scheme during the year ended 31 December 2025 were as follows:

Category of grantees	Date of grant	Number of awarded shares					Outstanding as at 31 December 2025
		Outstanding as at 31 December 2024	Granted during the Year (Notes 3, 4)	Vested during the Year (Note 2)	Lapsed/ forfeited during the Year (Note 1)	Cancelled during the Year	
Directors							
Mr. Zongjian Cai	28 May 2025	-	312,000	-	-	-	312,000
Mr. Yuan Xu	28 May 2025	-	243,000	-	-	-	243,000
Mr. Hong Zhang	28 May 2025	-	210,000	-	-	-	210,000
Ms. Jessie Shen	28 May 2025	-	228,000	-	-	-	228,000
Mr. Feng Chen	28 May 2025	-	166,000	-	-	-	166,000
Mr. Yuan Chi	29 May 2024	61,500	-	61,500	-	-	-
	28 May 2025	-	62,000	-	-	-	62,000
Mr. Kam Wai Man	29 May 2024	29,250	-	29,250	-	-	-
	28 May 2025	-	30,000	-	-	-	30,000
Ms. Feng Li	29 May 2024	19,500	-	19,500	-	-	-
	28 May 2025	-	20,000	-	-	-	20,000
Mr. Tan Hup Foi (Appointed on 28 May 2025)	28 May 2025	-	30,000	-	-	-	30,000
Dr. Horn Kee Leong (resigned on 28 May 2025)	29 May 2024	54,000	-	54,000	-	-	-
Substantial Shareholders							
Ms. Kai Chen (spouse of Mr. Zongjian Cai)	28 May 2025	-	14,500	-	-	-	14,500
Mr. Zhixiang Chen	28 May 2025	-	20,600	-	-	-	20,600

DIRECTORS' REPORT

Category of grantees	Date of grant	Outstanding as at 31 December 2024	Number of awarded shares				Outstanding as at 31 December 2025
			Granted during the Year (Notes 3, 4)	Vested during the Year (Note 2)	Lapsed/ forfeited during the Year (Note 1)	Cancelled during the Year	
Director's associate							
Ms. Meijia Chen (cousin of Mr. Yuan Xu, as well as a director of subsidiaries of the Company)	28 May 2025	-	78,400	-	-	-	78,400
Other connected persons (Total no.: 7) (Note 5)							
	11 April 2022	141,818	-	70,906	-	-	70,912
	10 April 2024	26,000	-	13,000	-	-	13,000
	28 May 2025	-	170,200	-	-	-	170,200
	26 November 2025	-	10,176	-	-	-	10,176
Employees (Total no.: 599)							
	11 March 2021	191,487	-	191,487	-	-	-
	6 May 2021	16,997	-	16,997	-	-	-
	19 August 2021	40,000	-	40,000	-	-	-
	5 November 2021	67,500	-	60,000	7,500	-	-
	11 April 2022	1,089,552	-	544,765	35,300	-	509,487
	7 April 2023	306,268	-	137,086	-	-	169,182
	6 September 2023	2,196,728	-	2,116,728	30,000	-	50,000
	29 November 2023	221,438	-	221,438	-	-	-
	10 April 2024	897,600	-	441,800	27,000	-	428,800
	11 September 2024	411,812	-	205,906	-	-	205,906
	22 December 2024	782,839	-	391,419	-	-	391,420
	28 May 2025	-	5,288,500	-	276,600	-	5,011,900
	10 September 2025	-	857,100	-	59,860	-	797,240
	26 November 2025	-	753,048	-	-	-	753,048
Total		6,554,289	8,493,524	4,615,782	436,260	-	9,995,771

DIRECTORS' REPORT

- Notes:
1. The lapse of awarded shares during the Year was due to the termination of employment of certain grantees.
 2. The weighted average closing price of the Shares immediately before the dates on which the awarded shares granted under the Share Award Scheme were vested was HK\$4.01 (for the year ended 31 December 2024: HK\$3.44) and the purchase price of the awarded shares granted under the Share Award Scheme were vested was at nil consideration.
 3. The awarded shares granted under the Share Award Scheme during the year ended 31 December 2025 were not conditional upon satisfaction of performance target. There was no performance target set as a prerequisite for the grant, which aligns with the purpose of the Share Award Scheme in terms of rewarding employees for their past contribution to the Group.
 4. During the year ended 31 December 2025, there were 1,071,400 awarded shares in aggregate granted under the Share Award Scheme to the five highest paid individuals, none of whom is a person other than a Director or a director of subsidiaries of the Company who is also an associate of a Director (for the year ended 31 December 2024: nil). No awarded shares granted to them under the Share Award Scheme were vested, lapsed or cancelled during the year ended 31 December 2025.
 5. Other connected persons are directors of the subsidiaries of the Company and their respective associates, who are also employees of the Group.

DIRECTORS' REPORT

Particulars of Awarded Shares Granted

11 March 2021

On 11 March 2021, the Board granted a total of 1,117,890 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees pursuant to the Share Award Scheme at nil consideration. Such awarded shares were vested in eligible grantees from 11 March 2022 to 11 March 2025. During the vesting period, 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

6 May 2021

On 6 May 2021, the Board granted a total of 3,192,565 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees and all Directors pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were granted to the Directors, of which 50% of the total number of the awarded shares were vested on each of the date of the annual general meeting in 2022 and 2023. Certain number of awarded shares were vested in certain eligible grantees from 6 May 2022 to 6 May 2023, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 6 May 2022 to 6 May 2025, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

19 August 2021

On 19 August 2021, the Board granted a total of 12,516,650 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were vested in certain eligible grantees from 19 August 2022 to 19 August 2023, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 19 August 2022 to 19 August 2025, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

DIRECTORS' REPORT

5 November 2021

On 5 November 2021, the Board granted a total of 1,100,000 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were vested in certain eligible grantees from 5 November 2022 to 5 November 2023, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 5 November 2022 to 5 November 2025, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

11 April 2022

On 11 April 2022, the Board granted a total of 3,498,580 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares would be vested in certain eligible grantees from 11 April 2023 to 11 April 2026, during which 25% of the total number of the awarded shares granted would be vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 11 April 2023 to 11 April 2024, during which 50% of the total number of awarded shares granted were vested on each anniversary date of grant.

7 April 2023

On 7 April 2023, the Board granted a total of 464,354 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares would be vested in certain eligible grantees from 7 April 2024 to 7 April 2027, during which 25% of the total number of the awarded shares granted would be vested on each anniversary date of grant. Certain number of awarded shares were vested in certain eligible grantees from 7 April 2024 to 7 April 2025, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant.

6 September 2023

On 6 September 2023, the Board granted a total of 4,397,206 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares would be vested in certain eligible grantees from 6 September 2024 to 6 September 2027, during which 25% of the total number of the awarded shares granted would be vested on each anniversary date of grant. Certain number of awarded shares were vested in certain eligible grantees from 6 September 2024 to 6 September 2025, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant.

DIRECTORS' REPORT

29 November 2023

On 29 November 2023, the Board granted a total of 442,873 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares were vested in the eligible grantees from 29 November 2024 to 29 November 2025. During the vesting period, 50% of the total number of the awarded shares granted were vested on each anniversary date of grant.

10 April 2024

On 10 April 2024, the Board granted a total of 965,600 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Each of 50% of the total number of awarded Shares granted would be vested on 10 April 2025 and 10 April 2026, respectively. For more details, please refer to the announcement of the Company dated 10 April 2024.

29 May 2024

On 29 May 2024, the Board granted a total of 338,250 awarded shares to five Directors, namely, Mr. Yuan Chi, Dr. Horn Kee Leong, Mr. Kam Wai Man, Ms. Feng Li and Ms. Zhao Lu pursuant to the Share Award Scheme at nil consideration. Such awarded shares were vested in accordance with the vesting dates and percentages as stated in the announcement of the Company dated 29 May 2024. For more details, please refer to the announcement of the Company dated 29 May 2024.

11 September 2024

On 11 September 2024, the Board granted a total of 411,812 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares would be vested in the eligible grantees from 11 September 2025 to 11 September 2026. During the vesting period, 50% of the total number of the awarded shares granted would be vested on each anniversary date of grant.

DIRECTORS' REPORT

22 December 2024

On 22 December 2024, the Board granted a total of 782,839 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares would be vested in the eligible grantees from 22 December 2025 to 22 December 2026. During the vesting period, 50% of the total number of the awarded shares granted would be vested on each anniversary date of grant.

During the Year, the Company granted the awarded shares as follows:

28 May 2025

On 28 May 2025, the Board granted a total of 6,873,200 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group and all Directors pursuant to the Share Award Scheme at nil consideration. The closing price immediately before the date on which the awarded shares were granted on 28 May 2025 was HK\$3.55 and the fair value of the awarded shares on the date of grant was HK\$3.54 per Share, amounting to approximately HK\$24.33 million in total. The fair values of the awarded shares granted to employees are recognised as employee costs with corresponding increases in the capital reserve in equity. The fair value of the awarded shares was calculated based on the market price of the Shares on the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares. The relevant accounting standard and policy are in accordance with IFRS Accounting Standards. Such awarded shares will be vested in accordance with the vesting dates and percentages as stated in the announcement of the Company dated 28 May 2025. For more details, please refer to the announcement of the Company dated 28 May 2025.

10 September 2025

On 10 September 2025, the Board granted a total of 857,100 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. The closing price immediately before the date on which the awarded shares were granted on 10 September 2025 was HK\$4.54 and the fair value of the awarded shares on the date of grant was HK\$4.50 per Share, amounting to approximately HK\$3.86 million in total. The fair values of the awarded shares granted to employees are recognised as employee costs with corresponding increases in the capital reserve in equity. The fair value of the awarded shares was calculated based on the market price of the Shares on the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares. The relevant accounting standard and policy are in accordance with IFRS Accounting Standards. Such awarded shares will be vested in eligible grantees from 10 September 2026 to 10 September 2029. During the vesting period, 25% of the total number of awarded shares granted will be vested on each anniversary date of grant.

DIRECTORS' REPORT

26 November 2025

On 26 November 2025, the Board granted a total of 763,224 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. The closing price immediately before the date on which the awarded shares were granted on 26 November 2025 was HK\$3.79 and the fair value of the awarded shares on the date of grant was HK\$3.82 per Share, amounting to approximately HK\$2.92 million in total. The fair values of the awarded shares granted to employees are recognised as employee costs with corresponding increases in the capital reserve in equity. The fair value of the awarded shares was calculated based on the market price of the Shares on the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares. The relevant accounting standard and policy are in accordance with IFRS Accounting Standards. Each of 50% of the total number of awarded Shares granted will be vested on 26 November 2026 and 26 November 2027, respectively.

Save as disclosed above, during the year ended 31 December 2025, no awarded shares were granted, vested, lapsed or cancelled under the Share Award Scheme.

During the Year and up to the date of this report, the Trustee, pursuant to the terms of the trust deed constituting the Share Award Scheme, purchased on the market a total of 8,070,000 Shares at an average price per Share of HK\$3.8718 with a total consideration of HK\$31.25 million.

3. Performance-based Share Award Scheme

The Performance-based Share Award Scheme of the Company was adopted by the Board on 21 May 2021. The purpose of the Performance-based Share Award Scheme is to recognise the contributions by certain eligible persons, particularly the Directors, senior management and key personnel of certain divisions of the Group.

DIRECTORS' REPORT

The Board may, at its absolute discretion, determine the vesting schedule and impose certain vesting conditions, such as performance index to the grant of Performance-based Awarded Shares which shall incentivise the selected grantees in achieving targeted performance indicators for the continuing development and growth of the Group, and to retain suitable personnel for further development of the Group. The Board may, from time to time, at its absolute discretion select any eligible person (excluding any excluded grantee) for participation in the Performance-based Share Award Scheme as a selected grantee. However, until so selected, no eligible person shall be entitled to participate in the Performance-based Share Award Scheme. The Performance-based Share Award Scheme shall be either (i) allotted and issued by the Company under general mandates or specific mandates granted to the Board by the Shareholders in the general meetings of the Company from time to time; (ii) allotted and issued by the Company under specific mandates granted to the Board by the Shareholders in the general meetings of the Company where (a) any grant of the performance-based awarded shares would cause the Company to issue and allot Shares in excess of the permitted amount in the general mandate available from time to time; or (b) any award of the Performance-based Awarded Shares by the Board to a selected grantee is made to a connected person of the Company; or (iii) acquired by the trustee from the open market by utilising the Company's resources provided to the trustee, subject to the absolute discretion of the Board.

It is intended that the Performance-based Awarded Shares under the Performance-based Share Award Scheme will be offered to the selected grantees to take up the relevant Performance-based Awarded Shares for no consideration subject to the compliance with the relevant laws and regulations, and certain conditions to be decided by the Board at the time of grant of the Performance-based Awarded Shares under the Performance-based Share Award Scheme. The Performance-based Awarded Shares shall be deemed to be accepted by the selected grantee when the Company receives a duplicate of the letter of grant signed by such selected grantee within 28 days after the granting. No amount is payable on acceptance of the Performance-based Awarded Shares.

No Shares shall be subscribed for and/or purchased pursuant to the Performance-based Share Award Scheme nor any amounts paid to the trustee for the purpose of making such a subscription and/or purchase, if as a result of such subscription and/or purchase, the number of Shares administered under the Performance-based Share Award Scheme would represent more than 6% of the number of the issued Shares as at 21 May 2021 (subject to adjustment in the event of sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Performance-based Share Award Scheme). There is no provision in respect of the maximum entitlement of each participant under the Performance-based Share Award Scheme.

Subject to any early termination as may be determined by the Board pursuant to the terms of the Performance-based Share Award Scheme, the Performance-based Share Award Scheme shall be valid and effective for a term of five years commencing on 21 May 2021. As at 31 December 2025, the remaining life of the Performance-based Share Award Scheme is approximately 5 months.

DIRECTORS' REPORT

On 21 May 2021, the Board resolved to conditionally grant up to 71,635,355 Performance-based Awarded Shares, representing approximately 6% of the total issued share capital of the Company as at 21 May 2021 and being the maximum number of Performance-based Awarded Shares that can be granted under the Performance-based Share Award Scheme, to the grantees as set out below. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant.

Particulars and movements of the Performance-based Awarded Shares under the Performance-based Share Award Scheme during the Year were as follows:

Category of grantees	Number of Performance-Based Awarded Shares				
	Granted as approved by the Shareholders on 20 July 2021	Outstanding as at 31 December 2024	Vested during the Year	Lapsed/ forfeited during the Year	Outstanding as at 31 December 2025
Directors					
Mr. Zongjian Cai	38,444,306	15,377,722	–	7,688,861	7,688,861
Mr. Yuan Xu	7,163,535	2,865,414	–	1,432,707	1,432,707
Mr. Hong Zhang	6,447,181	2,578,872	–	1,289,436	1,289,436
Ms. Jessie Shen	5,253,259	2,101,303	–	1,050,652	1,050,651
Mr. Feng Chen	2,865,414	1,146,165	–	573,083	573,082
Other connected persons of the Company					
Ms. Meijia Chen (director of subsidiaries of the Company and senior vice president of the Group)	7,163,536	2,865,414	–	1,432,707	1,432,707
Mr. Hanling Fang (director of subsidiaries of the Company and senior vice president of the Group)	716,354	286,542	–	143,271	143,271
Mr. Shuo Wang (director of subsidiaries of the Company and vice president of the Group)	716,354	286,541	–	143,271	143,270
Mr. Chengfeng Luo (director of subsidiaries of the Company and senior director of research and development)	716,354	286,541	–	143,271	143,270
Employees (Total No.: 3)	<u>2,149,062</u>	<u>859,623</u>	<u>–</u>	<u>429,813</u>	<u>429,810</u>
Total	<u><u>71,635,355</u></u>	<u><u>28,654,137</u></u>	<u><u>–</u></u>	<u><u>14,327,072</u></u>	<u><u>14,327,065</u></u>

DIRECTORS' REPORT

Subject to the terms and conditions of the Performance-based Share Award Scheme and the satisfaction of the vesting conditions, an aggregate of up to 71,635,355 Performance-based Awarded Shares will be vested in five tranches, each to be vested to the grantees at nil consideration as soon as reasonably practicable after the end of each of the relevant measurement period (being the trading days within the thirty calendar days immediately after the date on which the annual results for the relevant financial year are published by the Company on the Stock Exchange) for the relevant financial year as set out below and upon determination by the Board (excluding Directors who are grantees) as to whether the vesting conditions have been satisfied for each such tranche and the actual number of Performance-based Awarded Shares to be vested under each such tranche.

Financial year	Percentage of Performance-based Awarded Shares to vest
Financial year ended 31 December 2021	20%
Financial year ended 31 December 2022	20%
Financial year ended 31 December 2023	20%
Financial year ended 31 December 2024	20%
Financial year ended 31 December 2025	20%

On 27 April 2022, 27 April 2023, 26 April 2024, and 25 April 2025, 14,327,074, 14,327,072, 14,327,072 and 14,327,072 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Save as disclosed above, during the Year, no Performance-based Awarded Shares were vested, lapsed or cancelled under the Performance-based Share Award Scheme. Details of the Performance-based Share Award Scheme are set out in the Company's announcement dated 21 May 2021 and circular dated 28 June 2021.

As at the date of this report, the total number of Shares available for issue under the Performance-based Share Award Scheme is 14,327,065, which represents approximately 1.25% of the issued Shares (excluding Treasury Shares).

4. Share Incentive Scheme

The Share Incentive Scheme was adopted by the Company on 29 June 2023 by way of an ordinary resolution at the 2023 AGM and amended by the Board on 26 March 2025 to the effect that the Company may satisfy the grant of the Awards under the Share Incentive Scheme using Treasury Shares at the Board's discretion. The purpose of the Share Incentive Scheme is to motivate eligible persons (including directors and employees of the Group, related entity participants and service providers) to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons.

DIRECTORS' REPORT

The Board may, in its absolute discretion, select any eligible persons for offering the grant of any award. The Board shall, in its absolute discretion and at any time prior to the relevant offer date, determine whether the relevant award shall take the form of an option and/or a restricted share. To the extent permitted by the Listing Rules and other applicable laws, options which have been exercised or vesting of a restricted share under an award will be satisfied by the allotment and issue of new Shares and/or transfer of Treasury Shares by the Company. The Company may appoint a trustee to assist with the administration, exercise and vesting of awards granted under the Share Incentive Scheme. Save for the specific circumstances as prescribed under the Share Incentive Scheme, the vesting period for options and/or restricted shares under the Share Incentive Scheme shall not be less than 12 months from the offer date.

The maximum number of Shares which may be issued in respect of all awards to be granted under the Share Incentive Scheme and any other scheme(s) of the Company shall not in aggregate exceed 10% of the total issued Shares as at the date of the 2023 AGM, i.e., 119,800,659 Shares. Unless otherwise approved by Shareholders in general meeting in accordance with the Listing Rules, no awards may be granted to any eligible person of the Share Incentive Scheme such that the total number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the Share Incentive Scheme and any other share schemes of the Company in any 12-month period up to and including the date of the latest grant exceeds 1% of the Company's issued share capital on the date of the latest grant. In particular, (i) unless otherwise approved by Shareholders in general meeting in accordance with the Listing Rules, no awards (excluding grant of options) may be granted to any Director (other than an independent non-executive Director), chief executive of the Company or any of their respective associates such that the total number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the Share Incentive Scheme and any other share schemes of the Company in any 12-month period up to and including the date of the latest grant exceeds 0.1% of the Company's Shares in issue (excluding Treasury Shares) on the date of the latest grant; and (ii) unless otherwise approved by Shareholders in general meeting in accordance with the Listing Rules, no awards (i.e. including grant of options and restricted shares) may be granted to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates such that the total number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the Share Incentive Scheme and any other shares schemes of the Company in the 12-month period up to and including the date of the latest grant exceeds 0.1% of the Company's Shares in issue (excluding Treasury Shares) on the date of the latest grant. As at the date of this report, the total number of Shares available for issue under the Share Incentive Scheme is 119,800,659, representing approximately 10.46% of the issued Shares (excluding Treasury Shares).

An option to be granted under the Share Incentive Scheme may be exercised in accordance with the terms of the Share Incentive Scheme at any time during a period as determined by the Board and not exceeding 10 years from the offer date. The grantees accepting any grant of awards under the Share Incentive Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

DIRECTORS' REPORT

The Share Incentive Scheme shall be valid and effective for a period of 10 years from 29 June 2023 and will expire on 28 June 2033 (or such earlier date as resolved by shareholders in general meeting), after which no further awards will be granted or offered. As at 31 December 2025, the remaining life of the Share Incentive Scheme is approximately 7 and a half years. During the Year, no awards under the Share Incentive Scheme had been granted, exercised, vested, outstanding, lapsed or cancelled.

The aggregate number of options and awards available for grant involving the allotment and issue of new Shares under the Performance-based Share Award Scheme and the Share Incentive Scheme as at 1 January 2025 and 31 December 2025 is set out below:

	As at 31 December 2025	As at 1 January 2025
Number of awards available for grant under the Performance-based Share Award Scheme	–	–
Number of awards available for grant under the Share Incentive Scheme	<u>119,800,659¹</u>	<u>119,800,659</u>
Total number of options and awards available for grant	<u>119,800,659</u>	<u>119,800,659</u>

1. The number of awards available for grant to service providers under the Share Incentive Scheme is 11,980,065.

The aggregate number of awards available for grant involving of existing Shares under the Share Award Scheme as at 1 January 2025 and 31 December 2025 is set out below:

	As at 31 December 2025	As at 1 January 2025
Number of awards available for grant under the Share Award Scheme	<u>74,432,116²</u>	<u>82,489,380</u>

2. On 28 March 2023, the Board resolved to delete the provisions of allowing the Board to allot and issue Shares by general mandate granted to the Board to satisfy the issue of awarded shares upon vesting of an award under the Share Award Scheme with effect from 28 June 2023.

During the Year, (1) no Performance-based Awarded Shares was available for grant under the Performance-based Share Award Scheme; (2) the aggregate of 8,493,524 awarded shares granted to the eligible grantees have been purchased by the Trustee from the open market pursuant to the Share Award Scheme, therefore, no Shares will be issued in respect of the awarded shares granted under the Share Award Scheme; and (3) no award was granted under the Share Incentive Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Year divided by the weighted average number of Shares in issue for the Year is therefore not applicable.

DIRECTORS' REPORT

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2025 and up until the date of this report, except that as disclosed in the sections headed "Share Option Scheme", "Share Award Scheme", "Performance-based Share Award Scheme" and "Share Incentive Scheme", none of the Directors or chief executives of the Company was granted any share options and/or awarded shares under the Share Option Scheme, the Share Award Scheme, the Performance-based Share Award Scheme or the Share Incentive Scheme.

Save as disclosed above and in the section headed "Disclosure of Interest as per registers kept pursuant to the SFO" in this report, at no time for the year ended 31 December 2025 were there rights to acquire benefits by means of the acquisition of shares in, or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

COMPETING INTEREST

To the best knowledge of the Company, none of the Directors or the substantial shareholders of the Company or their respective associates has any interest in any business which competed or may compete with the business of the Group during the Year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts to which the Company or any of its subsidiaries was a party to and in which a Director or its connected entity (within the meaning of section 486 of the Companies Ordinance) had a material interest in, whether directly or indirectly, subsisted as at 31 December 2025 or at any time during the year ended 31 December 2025.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in the Directors' information required to be disclosed during the Year.

DIRECTORS' REPORT

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed “Share Option Scheme”, “Performance-based Share Award Scheme” and “Share Incentive Scheme”, as at the end of and during the year ended 31 December 2025, the Company did not enter into (i) any agreement that will or may result in the Company issuing Shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

PERMITTED INDEMNITY PROVISION

Pursuant to Article 164 of the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which the Directors or any of the Directors shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of the Directors shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

DIRECTORS' REPORT

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

The Company had bought back the Shares on the Stock Exchange during the year ended 31 December 2025 with details as follows:

Month of Purchase	Number of Shares Bought Back	Price per Share		Total Consideration Paid HK\$
		Highest Price Paid HK\$	Lowest Price Paid HK\$	
April 2025	649,000	3.55	3.46	2,271,010
May 2025	5,302,000	3.75	3.56	19,402,650
June 2025	3,384,000	4.28	3.52	13,385,520
July 2025	5,374,000	4.41	4.21	23,154,200
August 2025	4,455,000	4.74	4.31	19,857,770
September 2025	2,743,000	4.68	4.43	12,529,450
October 2025	1,657,000	4.57	3.98	7,220,210
November 2025	1,020,000	3.95	3.66	3,903,660
December 2025	1,502,000	3.85	3.72	5,693,740
Total	26,086,000			107,418,210

As at 31 December 2025, all Shares bought back are held as Treasury Shares. These Treasury Shares were withdrawn from the Central Clearing and Settlement System (CCASS) and re-registered in the Company's name as of the date of this report. As at the date of this report, the Company holds 30,415,000 Treasury Shares and such Treasury Shares will not be entitled to receive the second interim dividend and special dividend declared by the Board, as detailed in the section headed "Directors' Report – Results and Dividends" of this annual report. The Company intends to use the Treasury Shares for: (i) future resale for capital management, and/or (ii) satisfying the grant of the awards under the Share Incentive Scheme.

The Board performed the share repurchase in accordance with buy-back mandate granted by the Shareholders at the annual general meetings and in the best interests of the Company and the Shareholders as a whole. The share buy-backs were carried out having considered the market conditions and financial arrangements, the Board believes that the share buy-back would enhance the value of the Company and Shareholders in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including Treasury Shares). As at 31 December 2025, the Company held 29,793,000 Treasury Shares.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and to supervise the financial reporting process and risk management (including ESG risks) and internal control systems of the Group. As at the date of this report, the Audit Committee comprises all independent non-executive Directors, namely, Mr. Kam Wai Man (chairman of the Audit Committee), Ms. Feng Li and Mr. Tan Hup Foi (appointed on 28 May 2025).

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure in accordance with the Listing Rules has been made in respect thereof.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered by the Group during the Year are set out in note 32 to the financial statements. The grant of Performance-based Awarded Shares under the related party transaction set out in note 32(a) as part of equity-settled share-based payment constituted a connected transaction subject to reporting, announcement and independent shareholders' approval requirement, details of which are set out in section headed “Directors' Report – Connected Transaction” in this annual report, and other related party transactions set out in note 32(a) constitute continuing connected transactions that are fully exempt from disclosure requirements under Chapter 14A of the Listing Rules. The related party transactions set out in note 32(b) do not constitute connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, the Group had not entered into any connected transaction which was required to be disclosed under the Listing Rules.

DIRECTORS' REPORT

CONNECTED TRANSACTION

On 21 May 2021, the Board approved the adoption of the Performance-based Share Award Scheme and resolved to conditionally grant up to 71,635,355 Performance-based Awarded Shares to be vested subject to the satisfaction of certain growth performance conditions in five tranches over five financial years ending 31 December 2025, representing 6% of the total issued share capital of the Company as at 21 May 2021, to certain grantees at nil consideration. Among the 71,635,355 Performance-based Awarded Shares granted, up to 69,486,293 Performance-based Awarded Shares were granted to nine connected grantees, including five executive Directors (namely, Mr. Zongjian Cai, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Jessie Shen and Mr. Feng Chen) and four directors of the Company's subsidiaries (namely, Ms. Meijia Chen, Mr. Hanling Fang, Mr. Shuo Wang and Mr. Chengfeng Luo), who are connected persons of the Company. For further details of the Performance-based Share Award Scheme and the grant of the Performance-based Awarded Shares, please refer to the section headed "Directors' Report – Share Schemes – Performance-based Share Award Scheme" of this annual report, the announcements of the Company dated 21 May 2021 and 20 July 2021 and the circular of the Company dated 28 June 2021.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Fuzhou Tianmeng Structured Contracts

The existing PRC laws and regulations restrict foreign ownership in the value-added telecommunication businesses, and prohibit foreign ownership on internet culture operation (except for music) services in the PRC. The wholly-owned subsidiary of the Company, Fuzhou Tianji, being a foreign-owned enterprise, does not have the requisite licenses to operate the online games business regarding value-added telecommunication businesses, and is not allowed to carry out internet culture operation (except for music) services in the PRC.

In order to comply with the above-mentioned PRC laws, the Group operated the online games business in China through Fuzhou Tianmeng. Fuzhou Tianmeng, as a domestic company established in China, holds certain of important licenses, including the ICP License, to operate our business.

In 2007, Fuzhou Tianji, the Founders and Fuzhou Tianmeng entered into the Previous Structured Contracts, as supplemented by the agreements in 2009 and 2013, pursuant to which the financial results of Fuzhou Tianmeng would be combined with the Company as if Fuzhou Tianmeng were a subsidiary of the Group. For details of terms of the Previous Structured Contracts, please refer to page 84 to page 85 of 2018 Annual Report of the Company.

DIRECTORS' REPORT

Termination of the Previous Structured Contracts and the entering into of the Fuzhou Tianmeng Structured Contracts

On 28 December 2018, each of the Founders and the Fuzhou Tianmeng Registered Holders entered into an equity transfer agreement (the “Equity Transfer Agreement”), pursuant to which each of the Founders agreed to transfer 50% and 50% of the equity interests in Fuzhou Tianmeng to Mr. Deyang Zheng and Mr. Chengfeng Luo, respectively, at a total consideration of RMB10.51 million. On the same date, the relevant parties as detailed below also entered into the following agreements as detailed below to change the registered shareholders of Fuzhou Tianmeng:

- (i) the termination agreement, pursuant to which the Founders, Fuzhou Tianmeng and Fuzhou Tianji agreed that subject to the entering into of the Fuzhou Tianmeng Structured Contracts by Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders, the Previous Structured Contracts would be terminated;
- (ii) the loan agreement, pursuant to which, among others, Fuzhou Tianji agreed to offer each of Mr. Deyang Zheng and Mr. Chengfeng Luo a loan for the purpose of providing to the Fuzhou Tianmeng Registered Holders the consideration under the Equity Transfer Agreement; and
- (iii) the tripartite agreement, pursuant to which, among others, Fuzhou Tianji, the Founders and the Fuzhou Tianmeng Registered Holders agreed to set-off the consideration under the Equity Transfer Agreement payable by the Fuzhou Tianmeng Registered Holders against the loans owed by the Founders to Fuzhou Tianji.

The Fuzhou Tianmeng Structured Contracts comprise eight agreements, the details of which are summarised as below:

- (i) **New Call Option Agreement:** on 28 December 2018, Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders entered into the call option agreement (the “New Call Option Agreement”), pursuant to which each of the Fuzhou Tianmeng Registered Holders irrevocably granted the exclusive right to Fuzhou Tianji or its designee(s) to acquire equity interest in or assets of Fuzhou Tianmeng as and when permitted by the PRC laws. The amount of consideration payable by Fuzhou Tianji to the equity holders of Fuzhou Tianmeng shall be RMB1.0 or the lowest possible amount permissible under the applicable PRC laws. The Fuzhou Tianmeng Registered Holders shall return any consideration they receive in the event that Fuzhou Tianji exercises the call option under the New Call Option Agreement to acquire equity interest in or assets of Fuzhou Tianmeng.
- (ii) **New Equity Pledge Agreement:** on 28 December 2018, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders entered into the equity pledge agreement (the “New Equity Pledge Agreement”), pursuant to which the Fuzhou Tianmeng Registered Holders granted Fuzhou Tianji a continuing first priority security interest over their respective equity interest in Fuzhou Tianmeng, representing all of the equity interest in Fuzhou Tianmeng’s registered capital, for the purpose of securing the performance of contractual obligations by Fuzhou Tianmeng under the Fuzhou Tianmeng Structured Contracts. In addition, the Fuzhou Tianmeng Registered Holders agreed to allocate, use or deal with the dividends and other non-cash distributions paid for the equity interest in Fuzhou Tianmeng in any way according to the instruction of Fuzhou Tianji.

DIRECTORS' REPORT

- (iii) Power of Attorney of Mr. Deyang Zheng: on 28 December 2018, Mr. Deyang Zheng issued a power of attorney (the “Power of Attorney of Mr. Deyang Zheng”), pursuant to which Mr. Deyang Zheng irrevocably authorised the Directors and their successors or the Company’s liquidator to exercise all the shareholders’ rights of Mr. Deyang Zheng in Fuzhou Tianmeng.
- (iv) Power of Attorney of Mr. Chengfeng Luo: on 28 December 2018, Mr. Chengfeng Luo issued a power of attorney (the “Power of Attorney of Mr. Chengfeng Luo”, together with the Power of Attorney of Mr. Deyang Zheng, the “New Power of Attorney”), pursuant to which Mr. Chengfeng Luo irrevocably authorised the Directors and their successors or the Company’s liquidator to exercise all the shareholders’ rights of Mr. Chengfeng Luo in Fuzhou Tianmeng.
- (v) New Exclusive Technical Consulting Service Agreement: on 28 December 2018, Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders entered into the exclusive technical consulting service agreement (the “New Exclusive Technical Consulting Service Agreement”), pursuant to which Fuzhou Tianmeng agreed to pay a fee to Fuzhou Tianji in return for Fuzhou Tianji providing exclusive technical consulting services as required by Fuzhou Tianmeng to support its operations. According to the New Exclusive Technical Consulting Service Agreement, unless otherwise agreed by both parties, Fuzhou Tianji would provide technical support and consultation services to Fuzhou Tianmeng, as the consideration, and the technical services fees will be paid on a quarterly basis and equal to Fuzhou Tianmeng’s total revenue deducting all related expenses, costs and taxes payable by Fuzhou Tianmeng.
- (vi) New Online Game Licensing Agreement: on 28 December 2018, Fuzhou Tianji and Fuzhou Tianmeng entered into the online game licensing agreement (the “New Online Game Licensing Agreement”), pursuant to which Fuzhou Tianji agreed to grant to Fuzhou Tianmeng usage rights on various online game software for operation in the PRC. As the consideration, Fuzhou Tianmeng is required to pay to Fuzhou Tianji (i) an initial licensing fee, payable after the signing date; and (ii) commissions payable on a quarterly basis according to a percentage generally accepted in the market and such commission shall be a fair value.
- (vii) Spouse Undertaking of Mr. Deyang Zheng: on 28 December 2018, the spouse of Mr. Deyang Zheng issued a spouse undertaking (the “Spouse Undertaking of Mr. Deyang Zheng”) to the effect that (i) Mr. Deyang Zheng’s interests in Fuzhou Tianmeng (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Deyang Zheng and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Fuzhou Tianmeng Structured Contracts by Mr. Deyang Zheng; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Fuzhou Tianmeng Structured Contracts; and (iv) in the event that she obtains any interests in Fuzhou Tianmeng, she will be subject to and abide by the terms of the Fuzhou Tianmeng Structured Contracts, and at the request of Fuzhou Tianji, she will sign any documents in the form and substance consistent with the Fuzhou Tianmeng Structured Contracts.

DIRECTORS' REPORT

- (viii) Spouse Undertaking of Mr. Chengfeng Luo: on 28 December 2018, the spouse of Mr. Chengfeng Luo issued a spouse undertaking (the “Spouse Undertaking of Mr. Chengfeng Luo”, together with the Spouse Undertaking of Mr. Deyang Zheng, the “Spouse Undertakings”) to the effect that (i) Mr. Chengfeng Luo’s interests in Fuzhou Tianmeng (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Chengfeng Luo and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Fuzhou Tianmeng Structured Contracts by Mr. Chengfeng Luo; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Fuzhou Tianmeng Structured Contracts; and (iv) in the event that she obtains any interests in Fuzhou Tianmeng, she will be subject to and abide by the terms of the Fuzhou Tianmeng Structured Contracts, and at the request of Fuzhou Tianji, she will sign any documents in the form and substance consistent with the Fuzhou Tianmeng Structured Contracts.

Please refer to the announcement dated 28 December 2018 for details of the continuing connected transactions relating to the entering into of the Fuzhou Tianmeng Structured Contracts.

The Xinhan Liaokuo Structured Contracts

Xinhan Liaokuo is a domestic company established in China in September 2020 and holds an ICP License to operate the online games business in the PRC.

After the analysis of the Group’s game operating strategy and in order to extend the game publishing network in the PRC, the Directors believe that the entry into another set of structured contracts is in the best interests of the Company and the Shareholders as a whole. Therefore, in 2020, Hainan Tianzhi, Xinhan Liaokuo and Xinhan Liaokuo Registered Holders entered into the Xinhan Liaokuo Structured Contracts, pursuant to which the financial results of Xinhan Liaokuo would be combined with the Company as if Xinhan Liaokuo were a subsidiary of the Group.

The Xinhan Liaokuo Structured Contracts comprise eight agreements, the details of which are summarised as below:

- (i) Xinhan Liaokuo Call Option Agreement: on 30 October 2020, Hainan Tianzhi, Xinhan Liaokuo and the Xinhan Liaokuo Registered Holders entered into the call option agreement (the “Xinhan Liaokuo Call Option Agreement”), pursuant to which each of the Xinhan Liaokuo Registered Holders irrevocably granted the exclusive right to Hainan Tianzhi or its designee(s) to acquire equity interest in or assets of Xinhan Liaokuo as and when permitted by the PRC laws. The amount of consideration payable by Hainan Tianzhi to the equity holders of Xinhan Liaokuo shall be RMB1.0 or the lowest possible amount permissible under the applicable PRC laws. The Xinhan Liaokuo Registered Holders shall return any consideration they receive in the event that Hainan Tianzhi exercises the call option under the Xinhan Liaokuo Call Option Agreement to acquire equity interest in or assets of Xinhan Liaokuo.

DIRECTORS' REPORT

- (ii) Xinhua Liaokuo Equity Pledge Agreement: on 30 October 2020, Hainan Tianzhi and the Xinhua Liaokuo Registered Holders entered into the equity pledge agreement (the "Xinhua Liaokuo Equity Pledge Agreement"), pursuant to which the Xinhua Liaokuo Registered Holders granted Hainan Tianzhi a continuing first priority security interest over their respective equity interest in Xinhua Liaokuo, representing all of the equity interest in Xinhua Liaokuo's registered capital, for the purpose of securing the performance of contractual obligations by Xinhua Liaokuo under the Xinhua Liaokuo Structured Contracts. In addition, the Xinhua Liaokuo Registered Holders agreed to allocate, use or deal with the dividends and other non-cash distributions paid for the equity interest in Xinhua Liaokuo in any way according to the instruction of Hainan Tianzhi.
- (iii) Second Power of Attorney of Mr. Deyang Zheng: on 30 October 2020, Mr. Deyang Zheng issued a power of attorney (the "Second Power of Attorney of Mr. Deyang Zheng"), pursuant to which Mr. Deyang Zheng irrevocably authorised the Directors and their successors or the Company's liquidator to exercise all the shareholders' rights of Mr. Deyang Zheng in Xinhua Liaokuo.
- (iv) Second Power of Attorney of Mr. Chengfeng Luo: on 30 October 2020, Mr. Chengfeng Luo issued a power of attorney (the "Second Power of Attorney of Mr. Chengfeng Luo", together with the Second Power of Attorney of Mr. Deyang Zheng, the "Second Power of Attorney"), pursuant to which Mr. Chengfeng Luo irrevocably authorised the Directors and their successors or the Company's liquidator to exercise all the shareholders' rights of Mr. Chengfeng Luo in Xinhua Liaokuo.
- (v) Xinhua Liaokuo Exclusive Technical Consulting Service Agreement: on 30 October 2020, Xinhua Liaokuo, Hainan Tianzhi and the Xinhua Liaokuo Registered Holders entered into the exclusive technical consulting service agreement (the "Xinhua Liaokuo Exclusive Technical Consulting Service Agreement"), pursuant to which Xinhua Liaokuo agreed to pay a fee to Hainan Tianzhi in return for Hainan Tianzhi providing exclusive technical consulting services as required by Xinhua Liaokuo to support its operations. According to the Xinhua Liaokuo Exclusive Technical Consulting Service Agreement, unless otherwise agreed by both parties, Hainan Tianzhi would provide technical support and consultation services to Xinhua Liaokuo, as the consideration, and the technical services fees will be paid on a quarterly basis and equal to Xinhua Liaokuo's total revenue deducting all related expenses, costs and taxes payable by Xinhua Liaokuo.
- (vi) Xinhua Liaokuo Online Game Licensing Agreement: on 30 October 2020, Hainan Tianzhi and Xinhua Liaokuo entered into the online game licensing agreement (the "Xinhua Liaokuo Online Game Licensing Agreement"), pursuant to which Hainan Tianzhi agreed to grant to Xinhua Liaokuo usage rights on various online game software for operation in the PRC. As the consideration, Xinhua Liaokuo is required to pay to Hainan Tianzhi (i) an initial licensing fee, payable after the signing date; and (ii) commissions payable on a quarterly basis according to a percentage generally accepted in the market and such commission shall be a fair value.

DIRECTORS' REPORT

- (vii) Second Spouse Undertaking of Mr. Deyang Zheng: on 30 October 2020, the spouse of Mr. Deyang Zheng issued a spouse undertaking (the “Second Spouse Undertaking of Mr. Deyang Zheng”) to the effect that (i) Mr. Deyang Zheng’s interests in Xinhan Liaokuo (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Deyang Zheng and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Xinhan Liaokuo Structured Contracts by Mr. Deyang Zheng; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Xinhan Liaokuo Structured Contracts; and (iv) in the event that she obtains any interests in Xinhan Liaokuo, she will be subject to and abide by the terms of the Xinhan Liaokuo Structured Contracts, and at the request of Hainan Tianzhi, she will sign any documents in the form and substance consistent with the Xinhan Liaokuo Structured Contracts.
- (viii) Second Spouse Undertaking of Mr. Chengfeng Luo: on 30 October 2020, the spouse of Mr. Chengfeng Luo issued a spouse undertaking (the “Second Spouse Undertaking of Mr. Chengfeng Luo”, together with the Second Spouse Undertaking of Mr. Deyang Zheng, the “Second Spouse Undertakings”) to the effect that (i) Mr. Chengfeng Luo’s interests in Xinhan Liaokuo (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Chengfeng Luo and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Xinhan Liaokuo Structured Contracts by Mr. Chengfeng Luo; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Xinhan Liaokuo Structured Contracts; and (iv) in the event that she obtains any interests in Xinhan Liaokuo, she will be subject to and abide by the terms of the Xinhan Liaokuo Structured Contracts, and at the request of Hainan Tianzhi, she will sign any documents in the form and substance consistent with the Xinhan Liaokuo Structured Contracts.

For the purpose of the Listing, the Company applied to the Stock Exchange, and the Stock Exchange granted a waiver from (i) strict compliance with the announcement and independent Shareholders’ approval of the Company, (ii) setting a maximum aggregate annual value under Fuzhou Tianmeng Structured Contracts, and (iii) fixing the terms of Fuzhou Tianmeng Structured Contracts to three years or less, for as long as Shares are listed on the Stock Exchange, subject to numerous conditions as set out in the section headed “Continuing Connected Transactions” of the Prospectus. The Xinhan Liaokuo Structured Contracts are cloned from the Fuzhou Tianmeng Structured Contracts with substantially the same terms. Pursuant to the aforementioned conditions, cloning of structured contracts similar to the Fuzhou Tianmeng Structured Contracts will not be subject to the strict requirements of announcement and shareholders’ approval under Chapter 14A of the Listing Rules.

Contribution of the Structured Contracts to the Group

The Directors are of the view that the Group kept the Structured Contracts to maintain presence in the PRC for further development but the business and operation of the Group do not rely on Fuzhou Tianmeng, Xinhan Liaokuo or the Structured Contracts.

DIRECTORS' REPORT

The tables below compare the number of games operated, game revenue and assets attributable to Fuzhou Tianmeng and Xinhan Liaokuo during the year ended 31 December 2025:

Number of games operated:

	As at 31 December 2025	
	Developed in-house	Licensed
Fuzhou Tianmeng	2	1
Xinhan Liaokuo	–	–

Game revenue*:

	For the year ended 31 December 2025	
	Revenue attributable to the relevant entity HK\$' 000	Percentage of the total revenue of the Group %
Fuzhou Tianmeng	168,687	3.07
Xinhan Liaokuo	–	–

* Game revenue is from external customers.

Assets:

	As at 31 December 2025	
	Assets attributable to the relevant entity HK\$' 000	Percentage of the total assets of the Group %
Fuzhou Tianmeng	113,411	2.44
Xinhan Liaokuo	1,255	0.03

DIRECTORS' REPORT

On-going reporting and approvals

The Company confirmed that, as at the date hereof, the Structured Contracts had not been challenged by the relevant authorities in the PRC and the Group had not encountered any interference or encumbrance from any PRC governing bodies in operating their business through Fuzhou Tianmeng and Xinhan Liaokuo under the Structured Contracts.

The Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Structured Contracts and the compliance with the Structured Contracts:

- The Company confirms that in order to ensure the operation of the Structured Contracts, the Company has reviewed the overall performance and compliance with the Structured Contracts for the year ended 31 December 2025.
- The independent non-executive Directors will review the Structured Contracts annually and confirm in the annual reports that (i) the transactions carried out during such year have been entered into in accordance with relevant terms of the Structured Contracts such that all revenue generated by Fuzhou Tianmeng and Xinhan Liaokuo deducting all related expenses, costs and the taxes payable by them has been retained by the Group; (ii) no dividends or other distributions have been made by Fuzhou Tianmeng and Xinhan Liaokuo to their respective equity interest holders; and (iii) no new contracts or renewed contracts have been entered into on the same terms as the Structured Contracts.
- Major issues arising from the implementation and compliance with the Structured Contracts or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis.
- The Company will disclose the overall performance and compliance with the Structured Contracts in its annual/interim report to update the Shareholders and potential investors.
- The Directors will provide periodic updates in the annual/interim reports regarding the qualification requirements as stipulated under the FITE Regulations and the development of laws and regulations on foreign investment, including the latest relevant regulatory development.
- The Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Structured Contracts, review the legal compliance of Fuzhou Tianji, Fuzhou Tianmeng, Hainan Tianzhi and Xinhan Liaokuo to deal with specific issues or matters arising from the Structured Contracts.

DIRECTORS' REPORT

- The Company has engaged KPMG as its auditor to perform procedures annually on the transactions contemplated under the Structured Contracts and the auditor will carry out procedures annually to ensure that no dividend or other distributions have been distributed by Fuzhou Tianmeng and Xinhan Liaokuo to their respective equity holders which was not subsequently assigned or transferred to our Group and relevant transactions have received approval of the Board and were entered into in accordance with the terms of the Structured Contracts.
- Save as disclosed in the annual report and in compliance with the applicable requirements under the Listing Rules, the Group has not renewed and/or reproduced any of the framework of and terms and conditions similar to those of the Structured Contracts in relation to any existing or new wholly foreign-owned enterprise or operating company.
- Each of Fuzhou Tianmeng and Xinhan Liaokuo has provided the Company's management and auditors with full access to relevant records for the purpose of the auditors' performance of review procedures on relevant transactions under the Structured Contracts.

Regulatory Matters in Relation to the Structured Contracts

FITE Regulations

Foreign investment in telecommunications sector is governed by the Regulations on Administration of Foreign Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "FITE Regulations"), which were promulgated by the State Council on 11 December 2001 and amended on 10 September 2008, 6 February 2016 and 29 March 2022. A foreign-invested telecommunications enterprise, or FITE, is allowed to be engaged in value-added telecommunications business, provided that the foreign investor's ultimate equity holding percentage in a value-added telecommunications business shall not exceed 50% unless otherwise prescribed by the State. The current operation of the Company in the online games business in the PRC is subject to the aforementioned regulation where the foreign investor's ultimate equity holding percentage of which shall not exceed 50%. Under the amendment to the FITE Regulations on 29 March 2022, it removed the requirement that the principal foreign investors of FITE operating value-added telecommunications businesses should have "a good track record and operational experience" in their value-added telecommunications businesses.

DIRECTORS' REPORT

In this regard, our PRC legal advisers, Jingtian & Gongcheng, advised that (i) the current operation of the Group in the online games business in the PRC involves internet cultural activities regulated in the Interim Provisions on the Administration of Internet Culture 《互聯網文化管理暫行規定》; and (ii) internet culture operation (except for music) fall within the scope of prohibited areas of foreign investments under the Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024) 《外商投資准入特別管理措施(負面清單)(2024年版)》. Our PRC legal advisers, Jingtian & Gongcheng, also advised that the Group shall continue to comply with the requirement as disclosed in the Prospectus with regard to the PRC laws and regulations restricting foreign ownership in the value-added telecommunication businesses, and foreign ownership prohibitions on carrying out internet culture operation (except for music) services since the Listing Date up to the date of this report. We intend to be qualified to acquire the entire equity interests in Fuzhou Tianmeng and Xinhan Liaokuo to the extent permitted by PRC laws when the abovementioned laws and regulations are lifted.

Foreign Investment Law

The Foreign Investment Law 《外商投資法》 (the “FIL”), approved by the second session of the 13th National People’s Congress, and the Regulation on the Implementation of the Foreign Investment Law 《外商投資法實施條例》 (the “FIL Implementation Regulation”), promulgated by the State Council, have come into effect on 1 January 2020.

According to the FIL, the investment in China directly or indirectly by foreign natural persons, enterprises or other organisations (“Foreign Investors”) is defined as foreign investment (“Foreign Investment”), which includes the following situations: (1) Foreign Investors alone or cooperate with other investors to establish foreign-invested enterprises in China; (2) Foreign Investors acquire shares, equities, property shares or other similar rights of Chinese domestic enterprises; (3) Foreign Investors alone or cooperate with other investors invest projects in China; (4) other means of investment prescribed by laws, administrative regulations or rules promulgated by the State Council. According to Jingtian & Gongcheng, our PRC legal advisers, the FIL and the FIL Implementation Regulation don’t clearly stipulate whether the Structured Contracts are a form of Foreign Investment.

In accordance with the existing provisions of the FIL and the FIL Implementation Regulation and if the laws, administrative regulations and the State Council do not include the Structured Contracts as a form of Foreign Investment, the Structured Contracts will not be materially affected. However, in view of the provisions of the above-mentioned situation (4) of Foreign Investment in the FIL, it is not excluded that the Structured Contracts may be regarded as a form of Foreign Investment according to laws, administrative regulations or rules promulgated by the State Council in the future. In this regard, the Company cannot guarantee that the Structured Contracts and the operations of Fuzhou Tianmeng and Xinhan Liaokuo will not be materially and adversely affected by changes in PRC laws and regulations in the future.

DIRECTORS' REPORT

Since the FIL and the FIL Implementation Regulation do not clarify whether the Structured Contracts are a form of Foreign Investment, the Company believes that it may not be appropriate at this stage to formulate specific measures to avoid the Structured Contracts being recognised as a form of Foreign Investment under the FIL. If the Structured Contracts is recognised as a form of Foreign Investment in the future, and there is no special provision for the Structured Contracts that allows Fuzhou Tianmeng and Xinhan Liaokuo, provided that certain conditions are met, to continue to carry out relevant foreign investment restricted or prohibited businesses, the Company might be requested to dispose of its interests in Fuzhou Tianmeng and Xinhan Liaokuo. The appropriate risk factors had already been disclosed in the paragraph headed “Risks And Limitations Relating To The New VIE Structure – There is no assurance that the contractual arrangements between Fuzhou Tianji and Fuzhou Tianmeng will be deemed to be in compliance with existing or future PRC laws and regulations” in the announcement of the Company dated 28 December 2018.

The Company confirms that if the Structured Contracts are required to be unwind or the Company is required to dispose of the interests in Fuzhou Tianmeng and Xinhan Liaokuo in the future, it can engage other domestic publishers with the due qualifications and licenses to operate its online games in the PRC, which may adversely affect the Group's operational and financial performance because engaging other domestic publishers may impose more costs to the Group. However, the Company expects that such adverse impact on the Group's operational and financial performance will not be material considering that (1) the revenue and assets attributable to the Structured Contracts are about 3.07% and 2.47% for the Year, respectively, and (2) there is no legal obstacle for Fuzhou Tianmeng and Xinhan Liaokuo to transfer their respective assets to Fuzhou Tianji, Hainan Tianzhi or IGG Singapore, as the case maybe, a subsidiary of the Group.

Confirmation of independent non-executive Directors

The independent non-executive Directors have reviewed the Structured Contracts (collectively referred to as the “Continuing Connected Transactions”) and confirmed that during the year ended 31 December 2025:

- (i) the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the Company;
- (ii) as appropriate, the Continuing Connected Transactions are on normal commercial terms or, on terms no less favourable to the Company than terms available to or from Independent Third Parties;
- (iii) the Continuing Connected Transactions have been entered into 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; and
- (iv) the Continuing Connected Transactions carried out during the Year have been entered into in accordance with relevant terms of the Structured Contracts such that all revenue generated by Fuzhou Tianmeng and Xinhan Liaokuo deducting all related expenses, costs and the taxes payable by them has been retained by the Group; no dividends or other distributions have been made by Fuzhou Tianmeng and Xinhan Liaokuo to their respective equity interest holders; and no new contracts or renewed contracts have been entered into on the same terms as the Structured Contracts.

DIRECTORS' REPORT

Confirmation of auditor of the Company

KPMG, the Company's auditor, were engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

After performing the procedure related to Continuing Connected Transactions, KPMG confirmed that:

- a. nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions have not been approved by the Board.
- b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- c. nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- d. with respect of the Continuing Connected Transactions with Fuzhou Tianmeng and Xinhan Liaokuo under the Structured Contracts, nothing has come to their attention that causes them to believe that dividends or other distributions have been made by Fuzhou Tianmeng and Xinhan Liaokuo to Fuzhou Tianmeng Registered Holders and Xinhan Liaokuo Registered Holders, which are not otherwise subsequently assigned or transferred to the Group.

KPMG have issued their letter containing their findings and conclusions in respect of the Continuing Connected Transactions in accordance with Rule 14A.56 of the Listing Rules.

EMPLOYEES

Emolument Policy

The Group's emolument policies are based on the merit, qualifications and competence of individual employees and are reviewed by the Remuneration Committee periodically.

The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. Details of Directors' remuneration and five individuals with highest emoluments are set out in notes 8 and 9 to the financial statements.

DIRECTORS' REPORT

The Company has adopted incentive schemes to motivate and reward Directors and eligible employees. Details of the incentive schemes are set out in the section headed “Directors’ Report – Share Schemes” of this report and note 26 to the financial statements. None of the Directors waived any emoluments during the year ended 31 December 2025.

Pension Scheme

Particulars of the pension scheme of the Group are set out in note 25 to the financial statements.

Key Relationship

Employees are regarded as the most important and valuable assets of the Group. The objectives of the Group’s human resource management are to: (i) reward and recognise performing staff by providing a fair, efficient and competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, (ii) build a sense of belongings among employees by offering them a better working environment, and (iii) promote career development and progression through offering on-job training to employees and providing opportunities within the Group for career advancement.

For further details, please refer to the section headed “Corporate Social Responsibility Report – 7 Caring for Employees” in this report.

MAJOR CUSTOMERS AND SUPPLIERS

The customers of the Group primarily consist of hundreds of millions of individual players and advertising agencies of APP Business. The five largest customers of the Group during the year ended 31 December 2025 accounted for 18.5% of the Group’s total revenue.

The Group’s suppliers primarily include advertising service providers, payment service providers, licensors of games, and server, data centre and bandwidth providers. The Group maintains sound relationships with these suppliers and receives professional and value-added services from them. Most of the key service providers have ongoing business relationship with the Group for years. The largest and five largest suppliers of the Group during the year ended 31 December 2025 accounted for 30.3% and 56.0% of the Group’s total purchases respectively.

So far as is known to the Directors, at no time during the year ended 31 December 2025 did a Director, his/her associate(s) or a Shareholder, which to the knowledge of the Director owns more than 5% of the Company’s share capital have an interest in any of the Group’s five largest customers and suppliers.

DIRECTORS' REPORT

BANK LOAN AND OTHER BORROWINGS

Except for lease liabilities set out in note 24 to the financial statements, the Group did not record any bank loans or other borrowings as at 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of Cayman Islands where the Company is incorporated applicable to the Company.

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in the Shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such Shares.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 as set out in the section headed "Management Discussion and Analysis – Business Review" in this annual report is expressly included in this report and forms part of this directors' report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has engaged professional service firms for advices regarding compliance matters with various jurisdictions which the Group's subsidiaries operate, such as compliance with the Listing Rules and other regulatory requirements issued or required by the Stock Exchange and Securities and Futures Commission, the anti-corruption laws and the privacy and personal data protection laws. The Group also keeps a close watch on any new laws or regulatory changes.

During the year ended 31 December 2025 and up to the date of this report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company.

BUSINESS RISKS AND RISK MANAGEMENT

The Board acknowledges its responsibility for the effectiveness of the risk management and internal control systems of the Group, which are designed to manage the risk of failure to achieve objectives and provide reasonable assurance against material misstatement or loss. When conducting business activities globally, the Group is exposed to a variety of key risks. Management team of the Group regularly monitors and updates risk profile and exposure and report to the audit committee regarding the effectiveness of the Group's system of internal control in mitigating risks.

DIRECTORS' REPORT

Business Risk

The Group conducts business globally and faces business risks includes reputation risks, investment and acquisition risks, taxation risks and corporate responsibility and sustainability risks. The Board meets regularly and reviews the investment and expansion strategies, business plan, financial results, and key performance indicators of the Group to ensure that the business risks are controlled and managed, and potential risks can be identified.

Financial Risk

The Group has adopted financial risk management policies to control the Group's financial risk exposure, such as taxation risks, currency risks and financial reporting risks. Also, the Board monitors the financial results and key operating statistics with the assistance of the Group's internal financial reporting department on a monthly basis.

Compliance Risk

The Group has adopted internal procedures to monitor the Group's compliance risk to ensure that the Group's compliance with the laws and regulations in regions which the Group conducts business. In addition, the Group from time to time engages consulting firms and professional advisers to keep the Group updated with the latest development in the regulatory environments.

Operational Risk

The Group has adopted procedures to manage its operational risk exposures, such as human resources risks and IT governance risks. The Group monitors the overall employee turnover rate, degree of satisfaction, and IT system status on a monthly basis, and adopts countermeasures if any risk indicators arise.

ENVIRONMENTAL PROTECTION

The Group is committed to acting in an environmentally responsible manner. To encourage sustainable use of resources, the Group has adopted initiatives of reducing energy consumption and recycling consumables such as computer hardware, paper and other consumables.

The Group's business activities do not involve any significant industrial and environmental pollution since the Group is not engaged in any manufacturing activities.

Details of the environmental protection activities of the Group for the Year are set out in the section headed "Corporate Social Responsibility Report – 9 Green Operation".

DIRECTORS' REPORT

IMPORTANT EVENTS SINCE THE YEAR END

No important events occurred for the Group since 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float of not less than 25% of the Company's issued Shares as required under the Listing Rules for the year ended 31 December 2025 and up to the date hereof.

AUDITOR

The consolidated financial statements for the financial year ended 31 December 2025 have been audited by KPMG who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment will be proposed at the forthcoming annual general meeting. The Company did not change its auditor over the past three years.

On behalf of the Board

Zongjian Cai

Chairman

Hong Kong, 25 March 2026

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the shareholders of IGG Inc

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of IGG Inc ("the Company") and its subsidiaries ("the Group") set out on pages 140 to 229, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory 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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirement of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("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"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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.

INDEPENDENT AUDITOR'S REPORT

Recognition of revenue from mobile games and computation of deferred revenue	
<i>Refer to notes 3, 4 and 28 to the consolidated financial statements and the accounting policies in note 2(s)(i)(a).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group mainly generates revenue from its self-developed mobile games by operating the games under a free to play model while providing the players with the option to purchase Premium Gaming Resources for cash. Premium Gaming Resources are virtual items within the game that can be used to provide the players with additional abilities to enhance their game-playing experience. Players pay for Premium Gaming Resources using payment platforms such as Google Play and Apple App Store. These third-party payment platforms are entitled to service fees which are withheld and deducted from the gross proceeds collected from the players, with the net amounts remitted to the Group.</p> <p>Revenues from the Premium Gaming Resource are recognised ratably over the period the paying players are expected to benefit from an enhanced in-game experience associated with each purchase. The Group estimates the length of this period on a game-by-game basis. Management has arrived at this judgement after taking into account game profile, paying player behavior patterns, and the rights of the players within the games to benefit from the Premium Gaming Resources.</p>	<p>Our audit procedures to assess the recognition of revenue from mobile games and computation of deferred revenue included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of management's key internal controls over the completeness, existence, accuracy of revenue, with our internal information technology audit specific team members involved to assess the relevant general and automated information technology controls; • inspecting the purchase patterns of the Premium Gaming Resource of the games which individually generate material amounts of revenue from mobile games to the Group, and the terms of service provided to players by the Group, to understand the terms of the sale on Premium Gaming Resources, including the obligations of the Group derived from the sales of Premium Gaming Resources, and to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards;

INDEPENDENT AUDITOR’S REPORT

Recognition of revenue from mobile games and computation of deferred revenue	
<i>Refer to notes 3, 4 and 28 to the consolidated financial statements and the accounting policies in note 2(s)(i)(a).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>At each reporting date, the unamortised portion of income received in respect of Premium Gaming Resource is recognised as deferred revenue.</p> <p>We identified recognition of revenue from mobile games and the computation of deferred revenue as a key audit matter because revenue from mobile games is one of the key performance indicators of the Group and because there is an inherent risk of manipulation of the timing of recognition of revenue from mobile games by management to meet specific targets or expectations.</p>	<ul style="list-style-type: none"> • assessing the assumptions and judgements made by the management for the length of the period on selected types of games, on a sample basis, by performing a retrospective review of the historical accuracy of these estimates; • obtaining monthly settlement statements sent by the payment platforms to the Group and the bank-in slips on a sample basis, comparing the settlement amounts on the statements to bank-in slips and reconciling the settlement amounts in the statements to the amounts recorded in the books and records of the Group, and assessing if the reconciling items have been accounted for in accordance with the requirements of the prevailing accounting standards; and • recalculating the Group’s revenue and deferred revenue with reference to the major estimations and assumptions and comparing the results to the revenue and deferred revenue as at the end of the financial reporting period.

INDEPENDENT AUDITOR'S REPORT

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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

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

The directors 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. This 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 HKSA's 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.

INDEPENDENT AUDITOR'S REPORT

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

As part of an audit in accordance with HKSAAs, 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.

INDEPENDENT AUDITOR'S REPORT

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Fung Hong Ning (practising certificate number: P08284).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	4	5,497,009	5,737,114
Cost of revenue		<u>(936,571)</u>	<u>(1,126,244)</u>
Gross profit		4,560,438	4,610,870
Other net gains	5	89,499	6,394
Selling and distribution expenses		(2,769,292)	(2,811,049)
Administrative expenses		(316,623)	(348,735)
Research and development expenses		(844,122)	(787,408)
Profit from operations		719,900	670,072
Finance costs	6(b)	(2,853)	(3,635)
Share of results of associates and joint ventures		647	13,126
Profit before taxation	6	717,694	679,563
Income tax expenses	7(a)	(131,939)	(96,983)
Profit for the year		<u>585,755</u>	<u>582,580</u>
Attributable to:			
Equity shareholders of the Company		580,493	580,676
Non-controlling interests		5,262	1,904
Profit for the year		<u>585,755</u>	<u>582,580</u>
Earnings per share (in HK\$ per share)	10		
Basic		<u>0.5102</u>	<u>0.5061</u>
Diluted		<u>0.5070</u>	<u>0.5026</u>

The notes on pages 148 to 229 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 29(b).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	<u>585,755</u>	<u>582,580</u>
Other comprehensive income for the year, after tax		
<i>Item that is or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	73,817	(115,100)
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	<u>8,406</u>	<u>43,593</u>
Other comprehensive income for the year	<u>82,223</u>	<u>(71,507)</u>
Total comprehensive income for the year	<u>667,978</u>	<u>511,073</u>
Attributable to:		
Equity shareholders of the Company	662,716	509,169
Non-controlling interests	<u>5,262</u>	<u>1,904</u>
Total comprehensive income for the year	<u>667,978</u>	<u>511,073</u>

The notes on pages 148 to 229 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

	Note	31 December 2025 HK\$' 000	31 December 2024 HK\$' 000
Non-current assets			
Property, plant and equipment	12	851,664	775,917
Investment properties	12	24,160	24,557
Intangible assets	13	4,300	3,578
Land use rights	14	203,052	203,645
Other non-current assets	15	33,559	32,820
Interests in associates and joint ventures	17	72,783	92,930
Financial assets at fair value through profit or loss	18	467,424	395,278
Deferred tax assets	27(b)	8,757	17,555
Total non-current assets		1,665,699	1,546,280
Current assets			
Inventories		5,348	409
Trade and other receivables	19	176,836	183,652
Funds receivable	20	280,385	280,916
Prepayments		62,080	49,186
Financial assets at fair value through profit or loss	18	13,478	15,968
Restricted deposits	21	8,779	16,306
Fixed deposits held at bank with maturity over 3 months when acquired	22(a)	27,163	4,814
Cash and cash equivalents	22(b)	2,414,275	2,245,666
Assets held for sale	11	–	75,459
Total current assets		2,988,344	2,872,376
Current liabilities			
Trade and other payables	23	681,943	788,805
Other financial liabilities		4,084	1,638
Lease liabilities	24	34,424	51,989
Tax payable	27(a)	211,431	196,675
Deferred revenue	28	216,484	220,456
Total current liabilities		1,148,366	1,259,563
Net current assets		1,839,978	1,612,813
Total assets less current liabilities		3,505,677	3,159,093

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

	Note	31 December 2025 HK\$' 000	31 December 2024 HK\$' 000
Non-current liabilities			
Lease liabilities	24	25,468	31,923
Deferred tax liabilities	27(b)	3,757	2,759
Total non-current liabilities		<u>29,225</u>	<u>34,682</u>
NET ASSETS		<u>3,476,452</u>	<u>3,124,411</u>
CAPITAL AND RESERVES			
Share capital	29(c)	23	23
Reserves		<u>3,456,321</u>	<u>3,121,046</u>
Total equity attributable to equity shareholders of the Company		3,456,344	3,121,069
Non-controlling interests		<u>20,108</u>	<u>3,342</u>
TOTAL EQUITY		<u>3,476,452</u>	<u>3,124,411</u>

Approved and authorised for issue by the board of directors on 25 March 2026.

Zongjian Cai
Director

Jessie Shen
Director

The notes on pages 148 to 229 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

Note	Attributable to equity shareholders of the Company												Non-controlling Interests	Total equity
	Share capital (note 29(c)) HK\$'000	Share premium (note 29(d)(i)) HK\$'000	Share-based payment reserve (note 29(d)(iii)) HK\$'000	Shares held for	Share repurchased	Share repurchased	Statutory reserve HK\$'000	Other reserve (note 29(d)(iv)) HK\$'000	Exchange reserve (note 29(d)(iii)) HK\$'000	Retained earnings HK\$'000	Total	Total		
				share award scheme	for cancellation	for held as treasury shares								
				HK\$'000	HK\$'000	HK\$'000								
Balance at 1 January 2024	23	-	119,256	(198,703)	(7,931)	-	8,668	56,095	(164,154)	2,921,509	2,734,763	-	2,734,763	
Changes in equity for the year ended 31 December 2024:														
Profit for the year	-	-	-	-	-	-	-	-	-	580,676	580,676	1,904	582,580	
Other comprehensive income	-	-	-	-	-	-	-	-	(71,507)	-	(71,507)	-	(71,507)	
Total comprehensive income	-	-	-	-	-	-	-	-	(71,507)	580,676	509,169	1,904	511,073	
Dividends declared in respect of the current year	29(b)	-	-	-	-	-	-	-	-	(99,810)	(99,810)	-	(99,810)	
Equity-settled share-based payment	-	-	26,335	-	-	-	-	-	-	-	26,335	1,438	27,773	
Shares purchased for the share award scheme	29(c)	-	-	(5,435)	-	-	-	-	-	-	(5,435)	-	(5,435)	
Repurchase of ordinary shares	29(c)	-	-	-	(32,863)	(13,753)	-	-	-	-	(46,616)	-	(46,616)	
Cancellation of ordinary shares	29(c)	-*	-	-	40,794	-	-	-	-	(40,794)	-	-	-	
Exercise of share options	29(c)	-*	335	(72)	-	-	-	-	-	-	263	-	263	
Vesting of awarded shares	29(c)	-	(335)	(19,368)	28,733	-	-	-	-	(9,030)	-	-	-	
Dividends received for share award scheme	-	-	-	-	-	-	-	2,400	-	-	2,400	-	2,400	
Appropriation to statutory reserves	-	-	-	-	-	-	2,630	-	-	(2,630)	-	-	-	
Balance at 31 December 2024	23	-	126,151	(175,405)	-	(13,753)	11,298	58,495	(235,661)	3,349,921	3,121,069	3,342	3,124,411	

* These amounts represent amounts less than HK\$1,000.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Attributable to equity shareholders of the Company												
	Share capital (note 29(c)) HK\$'000	Share premium (note 29(d)(i)) HK\$'000	Share-based payment reserve (note 29(d)(iii)) HK\$'000	Share		Statutory reserve HK\$'000	Other reserve (note 29(d)(iv)) HK\$'000	Exchange reserve (note 29(d)(iii)) HK\$'000	Retained earnings HK\$'000	Non-controlling Total HK\$'000	Interests HK\$'000	Total equity HK\$'000	
				Share award scheme	Shares repurchased held for								treasury shares
				held for	for held as								
Balance at 1 January 2025	23	-	126,151	(175,405)	(13,753)	11,298	58,495	(235,661)	3,349,921	3,121,069	3,342	3,124,411	
Changes in equity for the year ended 31 December 2025:													
Profit for the year	-	-	-	-	-	-	-	-	580,493	580,493	5,262	585,755	
Other comprehensive income	-	-	-	-	-	-	-	82,223	-	82,223	-	82,223	
Total comprehensive income	-	-	-	-	-	-	-	82,223	580,493	662,716	5,262	667,978	
Dividends declared in respect of the current year	29(b)	-	-	-	-	-	-	-	(160,089)	(160,089)	-	(160,089)	
Dividends approved in respect of the previous year	29(b)	-	-	-	-	-	-	-	(74,999)	(74,999)	-	(74,999)	
Equity-settled share-based payment	-	-	24,713	-	-	-	-	-	-	24,713	11,504	36,217	
Shares purchased for the share award scheme	29(c)	-	-	(19,790)	-	-	-	-	-	(19,790)	-	(19,790)	
Repurchase of ordinary shares	29(c)	-	-	-	(107,418)	-	-	-	-	(107,418)	-	(107,418)	
Exercise of share options	29(c)	*	8,207	(3,238)	-	-	-	-	-	4,969	-	4,969	
Vesting of awarded shares	29(c)	-	(8,207)	(18,111)	29,023	-	-	-	(2,705)	-	-	-	
Dividends received for share award scheme	-	-	-	-	-	-	5,173	-	-	5,173	-	5,173	
Appropriation to statutory reserves	-	-	-	-	-	3,538	-	-	(3,538)	-	-	-	
Balance at 31 December 2025	23	-	129,515	(166,172)	(121,171)	14,836	63,668	(153,438)	3,689,083	3,456,344	20,108	3,476,452	

* This amount represents an amount less than HK\$1,000

The notes on pages 148 to 229 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Cash generated from operations	22(c)	692,108	1,031,826
Income tax refund		443	35,772
Income tax paid		(91,796)	(10,072)
Interest received		82,008	63,331
Net cash generated from operating activities		682,763	1,120,857
Investing activities			
Payments for the purchases of property, plant and equipment and intangible assets		(156,320)	(133,875)
Dividends received		4,550	23,590
Proceeds from disposal of property, plant and equipment and intangible assets		280	52
Payment for purchases of financial assets and liabilities at fair value through profit or loss		(65,075)	(53,258)
Proceeds from disposal of financial assets and liabilities at fair value through profit or loss		42,440	45,385
Payment for investment in associates		(3,302)	–
Proceeds from recover of assets held for sale		77,502	–
Net placements of fixed deposits held at bank with original maturity over 3 months when acquired		(22,349)	(4,814)
Net cash used in investing activities		(122,274)	(122,920)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2025

	Note	2025 HK\$' 000	2024 HK\$' 000
Financing activities			
Capital element of lease rentals paid	22(d)	(44,237)	(55,618)
Interest element of lease rentals paid	22(d)	(2,853)	(3,635)
Dividends paid		(229,915)	(97,410)
Payments for repurchase of shares		(107,418)	(46,616)
Payments for purchase of shares for share award scheme		(19,790)	(5,435)
Proceeds from grant of restricted shares		–	3,123
Proceeds from exercise of share options	29	4,969	263
Net cash used in financing activities		(399,244)	(205,328)
Net change in cash and cash equivalents		161,245	792,609
Cash and cash equivalents at 1 January	22(b)	2,245,666	1,469,752
Effect of foreign exchange rate changes		7,364	(16,695)
Cash and cash equivalents at 31 December	22(b)	2,414,275	2,245,666

The notes on pages 148 to 229 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE AND GROUP INFORMATION

IGG Inc (the “Company”) was incorporated in the Cayman Islands on 16 August 2007 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands. The registered address of the Company is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The shares of the Company were listed on the GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 October 2013. The shares of the Company were transferred to the Main Board of the Stock Exchange on 7 July 2015.

The principal activity of the Company is investment holding. The Group was principally engaged in the development and operation of mobile games and applications in the international market. There has been no significant change in the Group’s principal activities during the year.

In the opinion of the directors of the Company, as of the date of this report, there were no controlling shareholders for the Company.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standard Board (“IASB”). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

In order to comply with the People’s Republic of China (“PRC”) law restricting foreign ownership in the value-added telecommunications in Chinese Mainland, or foreign ownership prohibitions on Internet content and information services, the Group currently is operating its mobile games business in Chinese Mainland through Fuzhou Skyunion Digital Co., Ltd. (“Fuzhou Tianmeng”), and Hainan Xinhan Liaokuo Network Technology Co., Ltd. (“Hainan Xinhan Liaokuo”), structured entities.

In November 2007, certain structured contracts (“Previous Structured Contracts”) became effective among Fuzhou Tianmeng, Fuzhou TJ Digital Entertainment Co., Ltd. (“Fuzhou Tianji”), Mr. Zongjian Cai and Mr. Yuan Chi (the “Original Registered Holders”) who were the former legal shareholders of Fuzhou Tianmeng and also the core founders of the Company.

The Previous Structured Contracts provided the Group through Fuzhou Tianji with effective control over Fuzhou Tianmeng. In particular, Fuzhou Tianji undertook to provide Fuzhou Tianmeng with certain technical services as required to support their operations. In return, the Group was entitled to substantially all of the operating profits and residual benefits generated by Fuzhou Tianmeng through intercompany charges levied on these services rendered. The Original Registered Holders were also required to transfer their interests in Fuzhou Tianmeng to the Group or the Group’s designee upon a request made by the Group when permitted by the PRC laws for a consideration, as permitted under the PRC laws. The ownership interests in Fuzhou Tianmeng had also been pledged by the Original Registered Holders to the Group in respect of the continuing obligations of Fuzhou Tianmeng. Fuzhou Tianji intended continuously to provide to or assist Fuzhou Tianmeng in obtaining financial support when deemed necessary. Accordingly, the Group had rights to variable returns from its involvement with Fuzhou Tianmeng and had the ability to affect those returns through its power over Fuzhou Tianmeng.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

On 28 December 2018, Mr. Zongjian Cai and Mr. Yuan Chi transferred their shareholdings in Fuzhou Tianmeng respectively to Mr. Deyang Zheng and Mr. Chengfeng Luo (the “Fuzhou Tianmeng Registered Holders”). On the same day, a series of new structured contracts (“Fuzhou Tianmeng Structured Contracts”) became effective among Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders. The Fuzhou Tianmeng Structured Contracts are substantially on the same terms as the Previous Structured Contracts except for the identity of the registered holders. The Fuzhou Tianmeng Structured Contracts also provide the Group with the rights to variable returns from its involvement with Fuzhou Tianmeng. The change of registered holders does not affect the Group’s control over Fuzhou Tianmeng.

In October 2020, certain structured contracts (“Xinhan Liaokuo Structured Contracts”) became effective among Hainan Xinhan Liaokuo, Hainan Tianzhi Network Technology Co., Ltd. (“Hainan Tianzhi”), Mr. Deyang Zheng and Mr. Chengfeng Luo (the “Xinhan Liaokuo Registered Holders”) who were the legal shareholders of Hainan Xinhan Liaokuo.

The Xinhan Liaokuo Structured Contracts provided the Group through Hainan Tianzhi with effective control over Hainan Xinhan Liaokuo. In particular, Hainan Tianzhi undertook to provide Hainan Xinhan Liaokuo with certain technical services as required to support their operations. In return, the Group was entitled to substantially all of the operating profits and residual benefits generated by Hainan Xinhan Liaokuo through intercompany charges levied on these services rendered. The Xinhan Liaokuo Registered Holders were also required to transfer their interests in Hainan Xinhan Liaokuo to the Group or the Group’s designee upon a request made by the Group when permitted by the PRC laws for a consideration, as permitted under the PRC laws. The ownership interests in Hainan Xinhan Liaokuo had also been pledged by the Xinhan Liaokuo Registered Holders to the Group in respect of the continuing obligations of Hainan Xinhan Liaokuo. Hainan Tianzhi intent continuously to provide to or assist Hainan Xinhan Liaokuo in obtaining financial support when deemed necessary. Accordingly, the Group had rights to variable returns from its involvement with Hainan Xinhan Liaokuo and had the ability to affect those returns through its power over Hainan Xinhan Liaokuo.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

As a result, Fuzhou Tianmeng and Hainan Xinhan Liaokuo were accounted for as subsidiaries of the Company.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for certain financial instruments which have been measured at fair value.

The functional currency of the Company is United States dollars (“US\$”). These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(o) depending on the nature of the liability.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Subsidiaries and non-controlling interests *(Continued)*

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

In the Company's statement of financial position, investments in subsidiaries are accounted under the equity method.

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 2(l)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, investments in associates and joint ventures are accounted under the equity method.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 30(f). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified as FVPL if the investment does not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (FVOCI) (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(s)(ii)(a)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Investment property

Investment property is initially measured at cost, and subsequently cost less accumulated depreciation and impairment losses (see note 2(l)(ii)). Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of investment property, i.e., 26 years.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 2(s)(ii)(d).

(h) Property, plant and equipment

Property, plant and equipment (including construction in progress) are stated at cost less accumulated depreciation and impairment losses (see note 2(l)(ii)):

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

No depreciation is provided in respect of construction in progress.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

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

Buildings	depreciation rate of 3% or 26 to 36 years
Right-of-use assets: office premises	2 to 8 years
Leasehold improvements	The lease terms
Computer equipment	3 years
Office equipment and furniture	3 years
Motor vehicles	5 years

Except for the above categories, freehold land and others are not depreciated.

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Intangible assets

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(l)(ii)).

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

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

– Licenses	License period
– Trademarks and domain names, software and copyright	3 to 5 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(j) Land use rights

Land use rights are measured at cost, less any accumulated amortisation and any impairment losses. Land use rights are amortised on a straight-line basis over the unexpired term of lease.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(h) and 2(l)(ii)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Leased assets *(Continued)*

As a lessee (Continued)

Refundable rental deposits are accounted for separately from the right-of-use assets and measured at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets in 'property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents, restricted deposits, trade receivables and other receivables and funds receivable) and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

Loss allowances for trade receivables and funds receivable are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Significant increases in credit risk

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

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

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(I) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments *(Continued)*

Significant increases in credit risk *(Continued)*

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amount of the other assets in the CGU on a pro rata basis. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Rule Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(I)(i) and 2(I)(ii)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see note 2(l)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(l)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Employee benefits

(i) Defined contribution retirement plans

Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in various jurisdictions where the Group's subsidiaries operate are recognised as an expense in profit or loss as incurred.

The Group's subsidiaries participate in several defined contribution retirement benefit schemes organised by local government authorities whereby the Group is required to make contributions to at applicable rates of the eligible employees' salaries. The Group's liability in respect of these plans is limited to the contributions payable at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

(ii) Share-based payments

The fair values of share options and shares granted to employees are recognised as employee costs with corresponding increases in a capital reserve within equity. The fair values are measured at grant date using (a) in respect of share options, the binomial lattice model taking into account the terms and conditions upon which the options were granted; and (b) in respect of awarded shares, the market price of the Company's shares. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options or awarded shares, the total estimated fair values of the options and awarded shares are spread over the vesting period, taking into account the probability that the options and awarded shares will vest.

During the vesting period, the number of share options and awarded shares that are expected to be vested is reviewed. Any resulting adjustments to the cumulative fair value recognised in prior years are charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with corresponding adjustments to the capital reserve. On vesting date, the amounts recognised as expenses are adjusted to reflect the actual number of options and awarded shares that vest (with corresponding adjustments to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amounts are recognised in the share-based payment reserve until (a) in respect of share options, either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained earnings); and (b) in respect of awarded shares, the awarded share is vested (when it is transferred to the share premium account).

As disclosed in note 26 to the financial statements, the Group has set up the Share Award Scheme Trust for the share award scheme, where the Share Award Scheme Trust purchases shares issued by the Group. The consideration paid by the Company, including any directly attributable incremental costs, is presented as "Shares held for share award scheme" and deducted from the Group's equity.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) **Income tax** *(Continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) **Provisions and contingent liabilities**

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Revenue and other income

(i) *Revenue from contracts with customers*

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled. Revenue excludes value added tax and is after deduction of any chargebacks.

(a) Revenue from mobile games

The Group primarily operates its mobile games under free to play model. Players can purchase Premium Gaming Resource (e.g. virtual items) to enhance their game-playing experience. Players can pay for Premium Gaming Resource using different payment platforms such as Google Play and Apple App Store. These third-party payment platforms are entitled to service fees which are withheld and deducted from the gross proceeds collected from the players, with the net amounts remitted to the Group. These service fees are commonly referred to as channel costs. The Group recognises revenue on a gross basis given it is the principal in these transactions, and records the channel cost under cost of revenue in the consolidated statement of profit or loss.

Revenues from the Premium Gaming Resource are recognised ratably over the period the paying players are expected to benefit from an enhanced in-game experience associated with each purchase. At each reporting date, the unamortised portion of income received in respect of Premium Gaming Resource is recognised as deferred revenue.

(b) Revenue from application business

Revenue from application business (the “APP Business”) mainly represents revenue generated from in-apps marketing and promotion services. The marketing and promotion contracts are signed between the Group and the advertising agencies to establish the service to be provided by the Group and relevant performance measures, mainly including cost per click (based on the number of clicks of the advertisement), or cost per mile (based on per one thousand impressions of the advertisement). Revenue from performance-based in-apps marketing and promotion service is recognised when the services are provided and confirmed by the advertising agencies.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Revenue and other income *(Continued)*

(ii) *Revenue from other sources and other income*

(a) Dividend income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(b) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(c) 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, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

(d) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the transaction date. Foreign currency differences are generally recognised in profit or loss.

These financial statements are presented in Hong Kong dollars, while the Company's functional currency is United States Dollars. 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. The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollars. As at the reporting date, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rate at the reporting date and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars 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 Hong Kong dollars at the weighted average exchange rates for the year.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(u) Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, equity-accounted investee is no longer equity accounted.

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(v) Related parties *(Continued)*

- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of 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).
- (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 Group's parent.

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

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's type of goods or services delivered or provided.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the financial statements. The principal accounting policies are set forth in note 2. The Group believes the following accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

(a) Estimation of the length of period customers are expected to benefit from Premium Gaming Resource

The Group estimates the period on a game-by-game basis and reassess such periods semi-annually. Revenue from the sales of Premium Gaming Resource is recognised ratably over the period the players are expected to benefit from the enhanced in-game experience associated with each purchase. This period is currently estimated to be one month from the time that the player pays the payment platform to purchase non-refundable game credits. Management has arrived at this judgement after taking into account paying player behavior patterns, and the rights of the players within the games to benefit from the Premium Gaming Resource. Future paying player behaviour patterns may differ from the historical patterns and therefore the estimated length of the period may change in the future.

(b) Fair value measurement of financial assets at fair value through profit or loss

The fair value assessment of financial assets at fair value through profit or loss that are measured at level 3 fair value hierarchy requires significant estimates, which include determining comparable public companies and enterprise value to revenue multiple of comparable companies, discount for lack of marketability and other assumptions. Changes in these assumptions and estimates could affect the respective fair value of these investments. The Group monitors its investments for their fair value assessment by considering factors including, but not limited to, current economic and market conditions, the latest round financing transactions undertaken by the investees, the operating performance of the investees and other company-specific information.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND OPERATING SEGMENT INFORMATION

The Group was principally engaged in the development and operation of mobile games and applications in the international market.

For the year ended 31 December 2025, substantially all revenue is generated from mobile games and applications, and recognised over time. All revenue generated from the Group's business is within the scope of IFRS 15.

The Group's customer base was diversified and no customer had transactions with the Group exceeding 10% of the Group's revenue during the financial periods presented.

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing game players contracts is HK\$216,484,000 (2024: HK\$220,456,000), and the Group will recognise this revenue in 2026.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance, focuses on financial results of the Group as a whole reported under IFRS Accounting Standards. Other information provided to the chief operating decision-makers also included a breakdown of the Group's revenue which is as follows:

	2025		2024	
	HK\$' 000	% of total revenues	HK\$' 000	% of total revenues
Revenue from mobile games				
– “Lords Mobile”	2,165,251	39%	2,588,892	45%
– “Doomsday: Last Survivors”	1,140,570	21%	1,020,890	18%
– “Viking Rise”	723,884	13%	679,725	12%
– Others	405,432	8%	359,248	6%
	<u>4,435,137</u>	<u>81%</u>	<u>4,648,755</u>	<u>81%</u>
Revenue from APP Business	<u>1,061,872</u>	<u>19%</u>	<u>1,088,359</u>	<u>19%</u>
	<u>5,497,009</u>	<u>100%</u>	<u>5,737,114</u>	<u>100%</u>

Except for the above information, no further information about the operating segment is presented.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

The following tables set out information about the geographical locations of the Group's revenue from external customers and the Group's specified non-current assets. Specified non-current assets exclude financial assets at fair value through profit or loss and deferred tax assets. For mobile games revenue, the geographical locations of customers are based on the Internet Protocol locations of the game players. For revenue from APP business, the geographical locations of customers are based on the locations of operations of the customers. The geographical locations of the specified non-current assets are based on the physical locations or the location of operations of the assets:

(a) Revenues by geographical regions

	2025		2024	
	HK\$' 000	% of total revenues	HK\$' 000	% of total revenues
Asia	2,249,786	41%	2,386,683	42%
Europe	1,980,935	36%	1,979,581	34%
North America	1,039,000	19%	1,128,529	20%
Others	227,288	4%	242,321	4%
	<u>5,497,009</u>	<u>100%</u>	<u>5,737,114</u>	<u>100%</u>

(b) Specified non-current assets

	2025		2024	
	HK\$' 000	% of specified non-current assets	HK\$' 000	% of specified non-current assets
Asia	1,004,608	84%	955,215	84%
Europe	153,176	13%	142,124	12%
North America	22,460	2%	28,940	3%
Others	9,274	1%	7,168	1%
	<u>1,189,518</u>	<u>100%</u>	<u>1,133,447</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

5 OTHER NET GAINS

	2025 HK\$' 000	2024 HK\$' 000
Net fair value gains/(losses) on investments	40,256	(83,342)
Gain on disposal of financial assets at fair value through profit or loss	4	160
Dividend income	3,869	23,590
Impairment loss on interests in associates (Note 17)	(25,735)	(26,511)
Interest income	82,008	63,331
Exchange (losses)/gains	(28,365)	15,022
Government grants*	9,493	15,672
Rental income from investment properties	1,577	1,666
Others	6,392	(3,194)
	<u>89,499</u>	<u>6,394</u>

* Government grants mainly included cash grants related to financial subsidies for enterprises and cash grants to enterprises in cultural industry. There are no unfulfilled conditions or contingencies relating to the grants.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

6 PROFIT BEFORE TAXATION

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

	2025 HK\$' 000	2024 HK\$' 000
(a) Staff costs		
Salaries, wages and other benefits	899,762	868,385
Equity-settled share-based payment expenses (note 22(c))	36,217	26,335
Contributions to defined contribution retirement plan	44,602	40,356
	<u>980,581</u>	<u>935,076</u>
	2025 HK\$' 000	2024 HK\$' 000
(b) Finance costs		
Interest on lease liabilities (note 22(d))	<u>2,853</u>	<u>3,635</u>
	2025 HK\$' 000	2024 HK\$' 000
(c) Other items		
Promotion and advertising expenses	2,693,824	2,754,598
Channel cost	748,047	950,715
Net fair value (gains)/losses on investments (note 5)	(40,256)	83,342
Amortisation		
– intangible assets (note 13)	817	1,407
– land use rights (note 14)	5,646	5,687
Depreciation charge (note 12)		
– owned property, plant and equipment	33,182	38,170
– right-of-use assets	47,680	54,704
– investment properties	1,001	1,008
Impairment loss on interests in associates (note 5)	25,735	26,511
(Reversal)/provision of impairment loss for trade and other receivables and funds receivable (note 30(a))	(65)	4,025
Net foreign exchange losses/(gains) (note 5)	28,365	(15,022)
Auditors' remuneration		
– audit and audit-related services*	3,718	3,711
– non-audit services	670	375
(Gains)/losses on disposal of property, plant and equipment	(639)	147

* The audit and audit-related services mainly comprise of statutory audits and reviews for the Group and/or its certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

7 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
Current tax		
Provision for corporate income tax for the year	105,642	89,645
Provision for withholding tax for the year	16,412	21,045
Over-provision in respect of prior years	(175)	(35,304)
	<u>121,879</u>	<u>75,386</u>
Deferred tax (note 27(b))		
Origination and reversal of temporary differences	<u>10,060</u>	<u>21,597</u>
	<u><u>131,939</u></u>	<u><u>96,983</u></u>

Taxation for subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

7 INCOME TAX (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 HK\$' 000	2024 HK\$' 000
Profit before taxation	<u>717,694</u>	<u>679,563</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	146,892	166,864
Tax effect of non-deductible expenses	178,519	181,440
Tax effect of non-taxable income	(190,035)	(181,740)
Tax effect of unused tax losses	9,255	3,889
Utilisation of previously unrecognised tax losses and temporary differences	(680)	(25,235)
Statutory tax concession	(11,837)	(12,931)
Over-provision in prior years	<u>(175)</u>	<u>(35,304)</u>
Actual tax expenses	<u>131,939</u>	<u>96,983</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands and accordingly is not subject to income tax.

IGG Singapore Pte. Ltd. is subject to the prevailing corporate tax rate of 17% in Singapore (2024: 17%).

In accordance with the relevant PRC corporate income tax laws, implementation regulations and guidance notes, certain subsidiaries in Chinese Mainland are entitled to tax concessions whereby the profits of these subsidiaries are taxed at a preferential income tax rate. Taxation of the Group's other subsidiaries in Chinese Mainland are calculated using the applicable income tax rates of 25%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, mainly ranging from 15% to 34% (2024: 15% to 34%).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payment (Note)	2025 Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors							
Mr. Zongjian Cai*	744	6,175	1,169	18	8,106	2,968	11,074
Mr. Yuan Xu	744	4,875	2,230	85	7,934	942	8,876
Mr. Hong Zhang	744	4,456	2,307	85	7,592	830	8,422
Ms. Jessie Shen	744	3,762	1,295	–	5,801	796	6,597
Mr. Feng Chen	744	1,587	1,033	–	3,364	522	3,886
Non-executive director							
Mr. Yuan Chi	744	–	–	–	744	207	951
Independent non-executive directors							
Dr. Horn Kee Leong (resigned on 28 May 2025)	267	–	–	–	267	–	267
Ms. Feng Li	234	–	–	–	234	66	300
Mr. Tan Hup Foi (appointed on 28 May 2025)	272	–	–	–	272	63	335
Mr. Kam Wai Man	400	–	–	–	400	100	500
	<u>5,637</u>	<u>20,855</u>	<u>8,034</u>	<u>188</u>	<u>34,714</u>	<u>6,494</u>	<u>41,208</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS (Continued)

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payment (Note)	2024 Total
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
Executive directors							
Mr. Zongjian Cai*	745	6,154	5,239	18	12,156	5,102	17,258
Mr. Yuan Xu	745	4,477	9,423	82	14,727	951	15,678
Mr. Hong Zhang	745	4,055	8,687	82	13,569	856	14,425
Ms. Jessie Shen	745	3,719	5,813	–	10,277	697	10,974
Mr. Feng Chen	745	1,574	265	–	2,584	380	2,964
Non-executive director							
Mr. Yuan Chi	745	–	–	–	745	299	1,044
Independent non-executive directors							
Dr. Horn Kee Leong	644	–	–	–	644	262	906
Ms. Feng Li (appointed on 29 May 2024)	148	–	–	–	148	35	183
Ms. Zhao Lu (resigned on 29 May 2024)	147	–	–	–	147	89	236
Mr. Kam Wai Man	351	–	–	–	351	142	493
	<u>5,760</u>	<u>19,979</u>	<u>29,427</u>	<u>182</u>	<u>55,348</u>	<u>8,813</u>	<u>64,161</u>

* Mr. Zongjian Cai is the chief executive officer of the Group.

Note: These represent the estimated value of share options and awarded shares granted to the directors under the Company's share option scheme, share award scheme and performance-based share award scheme. The value of these share options and awarded shares is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(p)(ii).

The details of these benefits in kind, including the principal terms and number of options and shares granted, are disclosed under the paragraph "Share option scheme", the paragraph "Share award scheme" and the paragraph "Performance-based share award scheme" in the directors' report and note 26.

No director received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office. No director waived or has agreed to waive any emolument during the years ended 31 December 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 4 (2024: 4) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other 1 individual for the year ended 31 December 2025 are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	4,111	4,027
Discretionary bonuses	335	335
Retirement scheme contributions	85	82
Equity-settled share-based payment (Note)	626	1,017
	<u>5,157</u>	<u>5,461</u>

Note: These represent the estimated value of awarded shares granted to the individual under the Company's share award scheme and performance-based share award scheme. The value of these awarded shares is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(p)(ii).

The details of these benefits in kind, including the principal terms and number of shares granted, are disclosed under the paragraph "Share award scheme" and the paragraph "Performance-based share award scheme" in the directors' report and note 26.

The emoluments of the 1 (2024: 1) individual with the highest emoluments for the year ended 31 December 2025 are within the following band:

	2025 Number of individuals	2024 Number of individuals
HK\$5,000,001 – HK\$5,500,000	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to equity shareholders of the Company (HK\$' 000)	<u>580,493</u>	<u>580,676</u>
Weighted average number of ordinary shares in issue (' 000 shares)	<u>1,137,816</u>	<u>1,147,269</u>
Basic earnings per share (HK\$ per share)	<u>0.5102</u>	<u>0.5061</u>
Weighted average number of ordinary shares:		
	2025	2024
	' 000	' 000
Issued ordinary shares at 1 January	1,174,312	1,186,639
Effect of share award scheme	(26,416)	(30,037)
Effect of shares options exercised	996	15
Effect of repurchase of ordinary shares	<u>(11,076)</u>	<u>(9,348)</u>
Weighted average number of ordinary shares at 31 December	<u>1,137,816</u>	<u>1,147,269</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

10 EARNINGS PER SHARE *(Continued)*

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares during the year.

	2025	2024
Profit attributable to equity shareholders of the Company (HK\$'000)	<u>580,493</u>	<u>580,676</u>
Weighted average number of ordinary shares (diluted) ('000 shares)	<u>1,144,983</u>	<u>1,155,235</u>
Diluted earnings per share (HK\$ per share)	<u>0.5070</u>	<u>0.5026</u>
Weighted average number of ordinary shares (diluted):		
	2025	2024
	'000	'000
Weighted average number of ordinary shares at 31 December	1,137,816	1,147,269
Effect of deemed issue of shares under the Company's share award scheme (including performance-based share award scheme)	<u>7,167</u>	<u>7,966</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>1,144,983</u>	<u>1,155,235</u>

11 ASSETS HELD FOR SALE

Assets held for sale mainly represent the interest in an associate which is planned to be sold in the next 12 months and are measured at the lower of its carrying amounts and fair values less costs to sell.

As at 31 December 2024, the carrying amount of assets held for sale is HK\$75,459,000, while the fair value less cost to sell is HK\$75,459,000. The fair value on which the recoverable amount is based is categorised as a level 3 measurement. These assets were sold during the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount of property, plant and equipment

	Freehold land	Buildings	Other properties leased for own use	Leasehold improvements	Computer equipment	Office equipment and furniture	Motor vehicles	Construction in progress	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost:										
At 1 January 2024	30,354	275,302	167,816	91,339	123,667	19,233	8,981	265,853	3,503	986,048
Exchange adjustments	(1,910)	(10,535)	(5,125)	(1,119)	(2,492)	(498)	(374)	(5,356)	(220)	(27,629)
Additions	-	-	71,944	282	11,339	372	1,300	141,555	-	226,792
Disposals	-	(39)	(83,619)	(356)	(3,066)	(25)	(362)	-	-	(87,467)
At 31 December 2024	28,444	264,728	151,016	90,146	129,448	19,082	9,545	402,052	3,283	1,097,744
Exchange adjustments	3,469	17,221	2,352	675	1,679	314	250	3,886	399	30,245
Additions	-	1,046	31,341	3,561	13,496	5,062	1,242	78,320	-	134,068
Transfer from construction in progress	-	484,254	-	-	-	-	-	(484,254)	-	-
Disposals	-	-	(26,868)	(45,038)	(5,871)	(2,767)	(1,197)	-	-	(81,741)
At 31 December 2025	31,913	767,249	157,841	49,344	138,752	21,691	9,840	4	3,682	1,180,316
Accumulated depreciation:										
At 1 January 2024	-	(23,939)	(103,660)	(79,413)	(97,482)	(14,688)	(4,969)	-	-	(324,151)
Exchange adjustments	-	1,513	2,479	1,011	2,248	447	232	-	-	7,930
Charge for the year	-	(9,292)	(54,704)	(7,666)	(17,009)	(2,569)	(1,634)	-	-	(92,874)
Written back on disposals	-	-	83,619	356	2,925	24	344	-	-	87,268
At 31 December 2024	-	(31,718)	(72,266)	(85,712)	(109,318)	(16,786)	(6,027)	-	-	(321,827)
Exchange adjustments	-	(2,103)	(848)	(646)	(1,454)	(401)	(157)	-	-	(5,609)
Charge for the year	-	(18,384)	(47,680)	(2,044)	(8,862)	(2,190)	(1,702)	-	-	(80,862)
Written back on disposals	-	-	25,217	45,038	5,548	2,660	1,183	-	-	79,646
At 31 December 2025	-	(52,205)	(95,577)	(43,364)	(114,086)	(16,717)	(6,703)	-	-	(328,652)
Net book value:										
At 31 December 2025	31,913	715,044	62,264	5,980	24,666	4,974	3,137	4	3,682	851,664
At 31 December 2024	28,444	233,010	78,750	4,434	20,130	2,296	3,518	402,052	3,283	775,917

Construction in progress comprises costs incurred on buildings in Fuzhou, China, which have not yet been completed as at 31 December 2024. Construction in progress was completed and transferred to buildings during the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT (*Continued*)

(b) Ownership interests in buildings held for own use

The Group holds office premises as administrative and research and development offices in Chengdu and Fuzhou, China. As at 31 December 2025, the buildings were carried at depreciated cost, with total carrying amount of HK\$121,700,000 and HK\$475,774,000 (31 December 2024: HK\$122,643,000 and nil), and the remaining term is 22.3 years and 35.5 years respectively.

(c) Other properties leased for own use

As at 31 December 2025, other properties leased for own use were carried at depreciated cost, with total carrying amount of HK\$62,264,000 (31 December 2024: HK\$78,750,000). During the year ended 31 December 2025, the Group entered into a number of lease agreements for office premises, and recognised the addition to other properties leased for own use of HK\$31,341,000 (2024: HK\$71,944,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	<u>47,680</u>	<u>54,704</u>
Interest on lease liabilities (note 6(b))	2,853	3,635
Expense relating to short-term leases	3,966	6,848

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 22(e) and 24, respectively.

The Group has obtained the right to use certain properties as its office premises through tenancy agreements. The leases typically run for an initial period of 2 to 8 years. Except for those fixed lease payments, other lease payments are usually increased every 1 to 3 years to reflect market rentals.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(c) Other properties leased for own use *(Continued)*

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

	Lease liabilities recognised (discounted)		Potential future lease payments under extension options not included in lease liabilities (undiscounted)	
	2025	2024	2025	2024
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
Office premises	1,391	5,162	12,373	12,017

During the years ended 31 December 2025 and 2024, none of the leases contain variable lease payment terms.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(d) Investment properties

	2025 HK\$'000	2024 HK\$'000
Cost:		
At 1 January	26,870	27,457
Exchange adjustments	678	(587)
	<u>27,548</u>	<u>26,870</u>
At 31 December	<u>27,548</u>	26,870
Accumulated depreciation:		
At 1 January	(2,313)	(1,351)
Exchange adjustments	(74)	46
Charge for the year	(1,001)	(1,008)
	<u>(3,388)</u>	<u>(2,313)</u>
At 31 December	<u>(3,388)</u>	<u>(2,313)</u>
Net book value:		
At 31 December	<u>24,160</u>	<u>24,557</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(d) Investment properties *(Continued)*

Investment properties is an office premise that is located in Chengdu, China. The Group leases out these investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. As at 31 December 2025, the fair value of the investment properties as determined by the directors of the Company by reference to the market price of similar properties in the respective area amounted to HK\$28,070,000 (31 December 2024: HK\$29,760,000).

Rental income recognised by the Group during the year ended 31 December 2025 was HK\$1,577,000 (2024: HK\$1,666,000) (note 5).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025 HK\$' 000	2024 HK\$' 000
Within one year (inclusive)	1,732	1,616
Over one year but within three years (inclusive)	3,558	3,359
Over three years but within five years (inclusive)	3,736	3,527
Over five years	2,078	4,483
	<hr/>	<hr/>
Total	11,104	12,985

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

13 INTANGIBLE ASSETS

	Trademarks and domain names HK\$' 000	Software HK\$' 000	Copyright HK\$' 000	Licenses HK\$' 000	Others HK\$' 000	Total HK\$' 000
Cost:						
At 1 January 2024	11,284	29,803	21,744	31,168	1,563	95,562
Exchange adjustments	(85)	(972)	(230)	(211)	(10)	(1,508)
Additions	–	236	–	–	1,554	1,790
Disposals	–	(5,563)	–	–	–	(5,563)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	11,199	23,504	21,514	30,957	3,107	90,281
Exchange adjustments	40	467	79	77	7	670
Additions	330	484	703	–	–	1,517
Disposals	–	(401)	–	–	–	(401)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	11,569	24,054	22,296	31,034	3,114	92,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated amortisation and impairment:						
At 1 January 2024	(11,284)	(28,232)	(21,744)	(31,168)	–	(92,428)
Exchange adjustments	85	1,043	230	211	–	1,569
Charge for the year	–	(1,407)	–	–	–	(1,407)
Written back on disposals	–	5,563	–	–	–	5,563
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	(11,199)	(23,033)	(21,514)	(30,957)	–	(86,703)
Exchange adjustments	(40)	(452)	(79)	(77)	–	(648)
Charge for the year	(50)	(650)	(117)	–	–	(817)
Written back on disposals	–	401	–	–	–	401
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	(11,289)	(23,734)	(21,710)	(31,034)	–	(87,767)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:						
At 31 December 2025	<u>280</u>	<u>320</u>	<u>586</u>	<u>–</u>	<u>3,114</u>	<u>4,300</u>
At 31 December 2024	<u>–</u>	<u>471</u>	<u>–</u>	<u>–</u>	<u>3,107</u>	<u>3,578</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 LAND USE RIGHTS

The Group has obtained land use rights in 2021 of the land for periods of 40 years in Fuzhou, China.

	Land use rights HK\$' 000
Cost:	
At 31 December 2023	228,571
Exchange adjustments	(4,888)
	<hr/>
At 31 December 2024	223,683
Exchange adjustments	5,646
	<hr/>
At 31 December 2025	229,329
	<hr style="border-top: 1px dashed black;"/>
Accumulated amortisation:	
At 31 December 2023	(14,762)
Exchange adjustments	411
Charge for the year	(5,687)
	<hr/>
At 31 December 2024	(20,038)
Exchange adjustments	(593)
Charge for the year	(5,646)
	<hr/>
At 31 December 2025	(26,277)
	<hr style="border-top: 1px dashed black;"/>
Net book value:	
At 31 December 2025	203,052
	<hr style="border-top: 3px double black;"/>
At 31 December 2024	203,645
	<hr style="border-top: 3px double black;"/>

15 OTHER NON-CURRENT ASSETS

Other non-current assets mainly represent rental deposits. Rental deposits were expected to be collected beyond one year.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

16 INVESTMENTS IN SUBSIDIARIES

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

Name of company	Place of incorporation and business	Particulars of registered capital and paid-up capital	Proportion of ownership interest		Principal activities
			Direct	Indirect	
IGG Singapore Pte. Ltd.	Singapore	1,500,000 shares of S\$1 each	100%	–	Research and development of games, operation and licensing of mobile games globally
Fuzhou Tianji*	Chinese Mainland	US\$100,000,000	–	100%	Research and development, provision of technical maintenance service, customer support and technical support services
Fuzhou Tianmeng**	Chinese Mainland	RMB10,000,000	–	100%#	Research and development of games, operation of mobile games in Chinese Mainland and provision of customer support services
Fuzhou Tianlong Digital Technology Co., Ltd.*	Chinese Mainland	US\$115,500,000 /US\$78,000,000##	–	100%	Investment holding
Fuzhou Tianping Digital Technology Co., Ltd. **	Chinese Mainland	RMB750,000,000/ RMB470,000,000###	–	100%	Hold of self-use office premises
Skylines Investment Holdings Pte. Ltd.	Singapore	8,000,000 shares of US\$1 each	100%	–	Investment holding
Apps Innova Limited	Hong Kong	HK\$1,000,000	–	90%	Research and development and operation of mobile application

* Registered as a wholly-foreign-owned enterprise under the law of Chinese Mainland.

** Registered as a limited liability company under the law of Chinese Mainland.

Fuzhou Tianmeng was legally owned by the Fuzhou Tianmeng Registered Holders. Fuzhou Tianji entered into the Fuzhou Tianmeng Structured Contracts with Fuzhou Tianmeng and the Fuzhou Tianmeng Registered Holders. As a result of the contractual arrangements, Fuzhou Tianmeng was ultimately controlled by Fuzhou Tianji, which is a wholly-owned subsidiary of the Company.

As at 31 December 2025, the registered share capital of Fuzhou Tianlong Digital Technology Co., Ltd. was US\$115,500,000 of which paid-up capital was US\$78,000,000.

As at 31 December 2025, the registered share capital of Fuzhou Tianping Digital Technology Co., Ltd. was RMB750,000,000 of which paid-up capital was RMB470,000,000.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

17 INTERESTS IN ASSOCIATES AND JOINT VENTURES

(a) Interest in associates

Aggregate information of associates that are not individually material:

	2025 HK\$' 000	2024 HK\$' 000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	72,288	92,824
Aggregate amounts of the Group's shares of these associates'		
Profit from continuing operations	261	13,814
Total comprehensive income	<u>261</u>	<u>13,814</u>
	2025 HK\$' 000	2024 HK\$' 000
At 1 January	92,824	184,339
Additions	3,302	–
Reclassified as assets held for sale	–	(75,459)
Share of results of associates	261	13,814
Impairment loss on interests in associates (Note)	(25,735)	(26,511)
Currency translation differences	<u>1,636</u>	<u>(3,359)</u>
At 31 December	<u>72,288</u>	<u>92,824</u>

Note:

Both external and internal sources of information of associates are considered in assessing whether there is any indication that the investment may be impaired, including but not limited to financial position and business performance.

During the year ended 31 December 2025, the Group made impairment provisions of HK\$25,735,000 (2024: HK\$26,511,000) against the carrying amounts of certain associates. The impairment loss was recognised in "other net gains" during the year. And these associates are principally engaged in mobile games business.

The recoverable amounts of these associates were HK\$4,928,000, as serious deterioration of operation due to the inability to generate sufficient cash flow from financing or existing games and the inability to launch new games due to failure of research and development, which result the recoverable amount were less than the carrying amount.

Management has assessed the level of influence that the Group exercises on certain associates with the respective shareholding below 20%, with total carrying amount of HK\$60,489,000 (31 December 2024: HK\$65,958,000). Management determined that it has significant influence thereon through the board representation. Consequently, these investments have been classified as associates.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

17 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(b) Interest in joint ventures

Aggregate information of joint ventures that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	495	106
Aggregate amounts of the Group's shares of these joint ventures'		
Profit/(loss) from continuing operations	386	(688)
Total comprehensive income	<u>386</u>	<u>(688)</u>
	2025 HK\$'000	2024 HK\$'000
At 1 January	106	795
Share of results of joint ventures	386	(688)
Currency translation differences	<u>3</u>	<u>(1)</u>
At 31 December	<u>495</u>	<u>106</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$' 000	2024 HK\$' 000
Included in current assets:		
– Treasury investments and others	13,478	15,968
Included in non-current assets:		
– Listed equity securities ¹	15,144	8,117
– Unquoted equity investments ²	452,280	387,161
	<u>480,902</u>	<u>411,246</u>

Notes:

- 1 Listed equity securities mainly comprised equity securities listed in the United States and Hong Kong.
- 2 Unquoted equity investments mainly comprised the following:
 - (i) an equity investment in Mfund, L.P., a private equity fund which is principally engaged in equity investments in mobile internet industry. Dividends of HK\$4,340,000 were received on this investment for the year ended 31 December 2025 (2024: HK\$22,735,000).
 - (ii) an equity investment in Griffin Gaming Partners, L.P., a private equity fund which focuses on the investment in gaming related companies worldwide.
 - (iii) equity investments in certain non-listed internet companies and several private equity funds which are principally engaged in investment holding of entities in the mobile internet, media, telecommunication and other innovative technologies sectors.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

19 TRADE AND OTHER RECEIVABLES

	2025 HK\$' 000	2024 HK\$' 000
Trade receivables, net of loss allowance	119,038	124,553
Other receivables	57,798	59,099
	<u>176,836</u>	<u>183,652</u>

Trade receivables were all from third-party customers. The Group's credit terms with its customers are generally from one to three months. 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.

As of the end of the reporting period, the ageing analysis of trade debtors and net of loss allowance, based on the invoice date, is as follows:

	2025 HK\$' 000	2024 HK\$' 000
Within 3 months	<u>119,038</u>	<u>124,553</u>

Further details on the Group's credit policy and credit risk arising from trade debtors are set out in note 30(a).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

20 FUNDS RECEIVABLE

Funds receivable represent balances due from third-party payment service providers for the cash collected from users. The Group carefully considers and monitors the creditworthiness of the third-party payment service providers.

As at 31 December 2025, all the funds receivable were aged within three months and HK\$18,492,000 of loss allowance was provided for the funds receivable (31 December 2024: HK\$18,450,000). Further details on the Group's credit policy and credit risk arising from funds receivable are set out in note 30(a).

21 RESTRICTED DEPOSITS

As at 31 December 2025, restricted deposits represent pledged deposits amounting HK\$8,779,000 (31 December 2024: HK\$16,306,000) for the credit limit of the credit card.

22 FIXED DEPOSITS HELD AT BANK WITH MATURITY OVER 3 MONTHS WHEN ACQUIRED AND CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Fixed deposits held at bank with maturity over 3 months when acquired

	2025 HK\$' 000	2024 HK\$' 000
Fixed deposits held at bank with maturity over 3 months when acquired	<u>27,163</u>	<u>4,814</u>

(b) Cash and cash equivalents comprise:

	2025 HK\$' 000	2024 HK\$' 000
Cash at bank and on hand	2,392,129	2,231,419
Deposits with other financial institutions	<u>22,146</u>	<u>14,247</u>
Cash and cash equivalents in the consolidated cash flow statement	<u>2,414,275</u>	<u>2,245,666</u>

Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control. As at 31 December 2025, cash and cash equivalents situated in Chinese Mainland amounted to HK\$158,795,000 (31 December 2024: HK\$236,308,000).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 FIXED DEPOSITS HELD AT BANK WITH MATURITY OVER 3 MONTHS WHEN ACQUIRED AND CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (*Continued*)

(c) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 HK\$' 000	2024 HK\$' 000
Profit before taxation		717,694	679,563
Adjustments for:			
Gain on disposal of financial assets at fair value through profit or loss	5	(4)	(160)
Share of results of associates and joint ventures		(647)	(13,126)
Impairment loss on interests in associates	5	25,735	26,511
(Gains)/losses on disposal of property, plant and equipment	6(c)	(639)	147
Depreciation	6(c)	81,863	93,882
Amortisation	6(c)	6,463	7,094
Dividend income	5	(3,869)	(23,590)
Interest income	5	(82,008)	(63,331)
Finance costs	6(b)	2,853	3,635
Equity-settled share-based payment expenses	6(a)	36,217	26,335
Net fair value (gains)/losses on investments	5	(40,256)	83,342
(Reversal)/provision of impairment loss for trade and other receivables and funds receivable	6(c)	(65)	4,025
Foreign exchange losses/(gains)	5	28,365	(15,022)
Changes in working capital:			
(Increase)/decrease in inventories		(4,939)	24
Decrease in funds receivable		531	75,834
Decrease in restricted deposits		7,527	28,035
Increase in trade and other receivables and prepayments		(6,013)	(82,952)
(Decrease)/increase in trade and other payables		(69,693)	184,576
(Decrease)/increase in deferred revenue		(3,972)	13,311
(Increase)/decrease in other non-current assets		(3,035)	3,693
Cash generated from operations		<u>692,108</u>	<u>1,031,826</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 FIXED DEPOSITS HELD AT BANK WITH MATURITY OVER 3 MONTHS WHEN ACQUIRED AND CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Lease liabilities HK\$' 000 (note 24)
At 1 January 2025	83,912
Changes from financing cash flows:	
Capital element of lease rentals paid	(44,237)
Interest element of lease rentals paid	(2,853)
Total changes from financing cash flows	(47,090)
Exchange adjustments	(6,374)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	31,341
Termination of lease liabilities	(4,750)
Interest expenses (note 6(b))	2,853
Total other changes	29,444
At 31 December 2025	59,892

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 FIXED DEPOSITS HELD AT BANK WITH MATURITY OVER 3 MONTHS WHEN ACQUIRED AND CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (*Continued*)

(d) Reconciliation of liabilities arising from financing activities (*Continued*)

	Lease liabilities
	HK\$' 000
	(note 24)
At 1 January 2024	63,220
Changes from financing cash flows:	
Capital element of lease rentals paid	(55,618)
Interest element of lease rentals paid	(3,635)
Total changes from financing cash flows	(59,253)
Exchange adjustments	4,366
Other changes:	
Increase in lease liabilities from entering into new leases during the year	71,944
Interest expenses (note 6(b))	3,635
Total other changes	75,579
At 31 December 2024	83,912

(e) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025	2024
	HK\$' 000	HK\$' 000
Within operating cash flows	3,966	6,848
Within financing cash flows	47,090	59,253
	51,056	66,101

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 FIXED DEPOSITS HELD AT BANK WITH MATURITY OVER 3 MONTHS WHEN ACQUIRED AND CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (*Continued*)

(e) Total cash outflow for leases (*Continued*)

These amounts relate to the following:

	2025 HK\$' 000	2024 HK\$' 000
Lease rentals paid	<u>51,056</u>	<u>66,101</u>

23 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2025 HK\$' 000	2024 HK\$' 000
Within 3 months	<u>498,685</u>	<u>516,848</u>
Total creditors	498,685	516,848
Salary and welfare payables	98,934	92,205
Other tax payables	36,291	41,827
Other payables and accruals	<u>48,033</u>	<u>137,925</u>
	<u>681,943</u>	<u>788,805</u>

The trade and other payables are non-interest bearing and are expected to be settled within three months or repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

24 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025		2024	
	Present value of the minimum lease payments HK\$' 000	Total minimum lease payments HK\$' 000	Present value of the minimum lease payments HK\$' 000	Total minimum lease payments HK\$' 000
Within 1 year	34,424	35,151	51,989	52,990
After 1 year but within 2 years	10,488	11,158	24,966	26,499
After 2 years but within 5 years	14,630	17,450	6,957	7,685
After 5 years	350	457	–	–
	<u>25,468</u>	<u>29,065</u>	<u>31,923</u>	<u>34,184</u>
	<u>59,892</u>	<u>64,216</u>	<u>83,912</u>	87,174
Less: total future interest expenses		<u>(4,324)</u>		<u>(3,262)</u>
Present value of lease liabilities		<u>59,892</u>		<u>83,912</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

25 EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

The Group operates a Central Provident Fund (“the CPF”) regulated/governed by Singapore government. Under the CPF, the employer and its employees are each required to make contributions to the fund at the applicable rates of the eligible employees’ salaries.

The Chinese Mainland subsidiaries of the Group participate in defined contribution retirement benefit schemes (“the Schemes”) organised by the municipal and provincial government authorities whereby the Group is required to make contributions to the Schemes at the applicable rates of the eligible employees’ salaries. The local government authority is responsible for the entire pension obligations payable to retired employees.

In addition, the Group also contributes on a monthly basis to various defined contribution plans pursuant to the relevant labour rules and regulations in the jurisdictions where the Group’s other subsidiaries operate.

The Group’s liability in respect of the aforementioned plans is limited to the contribution payable in each period. The Group’s contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 SHARE-BASED PAYMENTS

(a) Share Option Scheme

The Company adopted a share option scheme (the “Share Option Scheme”), approved by the written resolution of all shareholders passed on 16 September 2013. Following the changes to the Listing Rules relating to Share Schemes of Listed Issuers, the Company terminated the Share Option Scheme, approved by way of an ordinary resolution of the annual general meeting of the Company held on 29 June 2023. In such event, no further options will be offered but the provision of the Share Option Scheme would remain in force and effect in all other respects. All options granted under the Share Option Scheme prior to such termination and not then exercised would continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

The following share options were outstanding and exercisable under the Share Option Scheme during the year:

	2025		2024	
	Weighted average exercise price HK\$	Number of options	Weighted average exercise price HK\$	Number of options
Outstanding at the beginning of the year	4.11	4,113,000	4.08	4,635,000
Exercised during the year	3.92	(1,269,000)	3.51	(75,000)
Forfeited/Lapsed during the year	3.90	(2,262,000)	3.91	(447,000)
Outstanding at the end of the year	5.33	<u>582,000</u>	4.11	<u>4,113,000</u>
Exercisable at the end of the year	5.33	<u>582,000</u>	4.11	<u>4,113,000</u>

As at 31 December 2025, the share options outstanding under the Share Option Scheme had a weighted average remaining contractual life of 3.99 years (31 December 2024: 0.52 years). For share options under the Share Option Scheme, the weighted average closing price of the Company’s shares at the date share options were exercised during the year ended 31 December 2025 was HK\$4.34 (2024: HK\$4.22).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 SHARE-BASED PAYMENTS *(Continued)*

(a) Share Option Scheme *(Continued)*

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

At 31 December 2025				
Number of options	Exercise price per share HK\$	Grant date	Expiry date	
290,000	5.75	19 August 2019	18 August 2029	
292,000	4.91	6 May 2020	5 May 2030	
<u>582,000</u>				

As at 31 December 2025, no share options (31 December 2024: nil) have not been vested and were not exercisable.

Share options exercised under the Share Option Scheme during the year ended 31 December 2025 resulted in the issuance of 1,269,000 (2024: 75,000) ordinary shares of the Company and share premium of HK\$8,207,000 (2024: HK\$335,000), as further detailed in note 29(c) to the financial statements.

(b) Share Award Scheme

The share award scheme of the Company was adopted by the Board on 24 December 2013 and amended on 19 August 2021 and 28 March 2023 (effective date: 28 June 2023). The purpose of the share award scheme is to recognise the contributions by certain selected grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

Movements in the number of shares held for the share award scheme and awarded shares for the years ended 31 December 2025 and 2024 are as follows:

	Number of shares held for the share award scheme not yet granted	Number of awarded shares granted but not yet vested	Total
At 1 January 2025	20,982,991	6,554,289	27,537,280
Purchased	5,105,000	–	5,105,000
Granted	(8,493,524)	8,493,524	–
Forfeited/Lapsed	436,260	(436,260)	–
Vested	–	(4,615,782)	(4,615,782)
	<u>18,030,727</u>	<u>9,995,771</u>	<u>28,026,498</u>
At 31 December 2025			
Vested but not transferred as at 31 December 2025			<u>–</u>
	Number of shares held for the share award scheme not yet granted	Number of awarded shares granted but not yet vested	Total
At 1 January 2024	21,662,000	8,722,167	30,384,167
Purchased	1,664,000	–	1,664,000
Granted	(2,498,501)	2,498,501	–
Forfeited/Lapsed	155,492	(155,492)	–
Vested	–	(4,510,887)	(4,510,887)
	<u>20,982,991</u>	<u>6,554,289</u>	<u>27,537,280</u>
At 31 December 2024			
Vested but not transferred as at 31 December 2024			<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 SHARE-BASED PAYMENTS *(Continued)*

(b) Share Award Scheme *(Continued)*

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

On 28 May 2025, the Group granted a total of 144,800 awarded shares, which will vest on 28 May 2026. The fair value of awarded shares granted was HK\$3.54 per share.

On 28 May 2025, the Group granted a total of 5,427,400 awarded shares, which will vest in anniversary of grant date with each of 50% being vested annually. The fair value of awarded shares granted was HK\$3.54 per share.

On 28 May 2025, the Group granted a total of 1,301,000 awarded shares, which will vest on the date of the annual general meeting of the Company to be convened in 2026. The fair value of awarded shares granted was HK\$3.54 per share.

On 10 September 2025, the Group granted a total of 857,100 awarded shares, which will vest in anniversary of grant date with each of 25% being vested annually. The fair value of awarded shares granted was HK\$4.50 per share.

On 26 November 2025, the Group granted a total of 763,224 awarded shares, which will vest in anniversary of grant date with each of 50% being vested annually. The fair value of awarded shares granted was HK\$3.82 per share.

The weighted average fair value of awarded shares granted during the year ended 31 December 2025 was HK\$3.65 per share.

The consideration paid by the Company, including any directly attributable incremental costs, is deducted from the Group's equity.

(c) Performance-based Share Award Scheme

The Company adopted a performance-based share award scheme on 21 May 2021, and the scheme was approved by the resolution of shareholders passed on 20 July 2021. The purpose of the performance-based share award scheme is to recognise the contributions by certain eligible persons.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 SHARE-BASED PAYMENTS *(Continued)*

(c) Performance-based Share Award Scheme *(Continued)*

Under the performance-based share award scheme, the Company grants 71,635,355 performance-based awarded shares to the grantees. The award shares will vest, in whole or in part, after 8.5 months to 56.5 months from the grant date, on condition that certain market performance criteria is met. The actual number of awarded shares to be vested to the grantees varies based on the growth rate of share price of the Company.

Movements in the number of awarded shares for the years ended 31 December 2025 and 2024 are as follows:

	Number of awarded shares granted but not yet vested
At 1 January 2025	28,654,137
Forfeited/Lapsed	<u>(14,327,072)</u>
At 31 December 2025	<u><u>14,327,065</u></u>
Vested but not transferred as at 31 December 2025	<u><u>–</u></u>
	Number of awarded shares granted but not yet vested
At 1 January 2024	42,981,209
Forfeited/Lapsed	<u>(14,327,072)</u>
At 31 December 2024	<u><u>28,654,137</u></u>
Vested but not transferred as at 31 December 2024	<u><u>–</u></u>

As at 31 December 2025, there were no shares of the Company held for the performance-based share award scheme (31 December 2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 SHARE-BASED PAYMENTS *(Continued)*

(d) Share Incentive Scheme

The Company adopted a share incentive scheme (the “Share Incentive Scheme”), which was approved by way of an ordinary resolution at the annual general meeting of the Company held on 29 June 2023 and amended by the Board on 26 March 2025.

As at 31 December 2025, there were no shares granted under the Share Incentive Scheme.

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025 HK\$' 000	2024 HK\$' 000
Balance at the beginning of the year	196,675	117,809
Provision for corporate income tax for the year	105,643	89,645
Over-provision in respect of prior years	(175)	(35,304)
Provision for withholding tax for the year	16,412	21,045
Withholding Tax paid	(16,412)	(21,045)
Income tax paid during the year	(91,796)	(10,072)
Tax refund during the year	443	35,772
Exchange adjustments	641	(1,175)
	<hr/>	<hr/>
Balance at the end of the year	<u>211,431</u>	<u>196,675</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities:

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Allowances in depreciation/ amortisation HK\$'000	Right-of-use asset HK\$'000	Lease liabilities HK\$'000	Credit loss allowance HK\$'000	Accumulated tax losses arising from subsidiaries HK\$'000	Others HK\$'000	Total HK\$'000
Deferred tax arising from:							
At 1 January 2024	3,398	10,104	(10,303)	(118)	(23,413)	(16,686)	(37,018)
(Credited)/charged to profit or loss	(414)	1,023	(1,764)	(27)	15,421	7,358	21,597
Currency translation differences	(29)	(13)	13	1	(417)	1,070	625
	<u>2,955</u>	<u>11,114</u>	<u>(12,054)</u>	<u>(144)</u>	<u>(8,409)</u>	<u>(8,258)</u>	<u>(14,796)</u>
At 31 December 2024	2,955	11,114	(12,054)	(144)	(8,409)	(8,258)	(14,796)
Charged/(credited) to profit or loss	298	(4,533)	5,762	(3,064)	5,881	5,716	10,060
Currency translation differences	11	-	-*	22	(146)	(151)	(264)
	<u>3,264</u>	<u>6,581</u>	<u>(6,292)</u>	<u>(3,186)</u>	<u>(2,674)</u>	<u>(2,693)</u>	<u>(5,000)</u>
At 31 December 2025	<u>3,264</u>	<u>6,581</u>	<u>(6,292)</u>	<u>(3,186)</u>	<u>(2,674)</u>	<u>(2,693)</u>	<u>(5,000)</u>

* This amount represents an amount less than HK\$1,000.

(ii) Reconciliation to the consolidated statement of financial position:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax asset in the consolidated statement of financial position	(8,757)	(17,555)
Net deferred tax liability in the consolidated statement of financial position	3,757	2,759
	<u>(5,000)</u>	<u>(14,796)</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

(c) Deferred tax assets not recognised

The Group had accumulated tax losses arising from subsidiaries that were not recognised as deferred tax assets of approximately HK\$161,488,000 (2024: HK\$131,304,000). Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the taxable losses can be utilised. Accumulated tax losses amounting HK\$155,413,000 will expire during 2026-2030, and the remaining amount of HK\$6,075,000 do not expire under relevant tax jurisdiction.

(d) Deferred tax liabilities not recognised

Pursuant to the PRC Corporate Income Tax Law (the “New CIT Law”) which was approved and became effective on 1 January 2008, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective on 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group’s subsidiaries. In the opinion of the directors, it is not probable that the subsidiaries established in Chinese Mainland will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with the investment in the subsidiaries for which deferred tax liabilities have not been recognised was HK\$108,389,000 at 31 December 2025 (2024: HK\$81,280,000).

28 DEFERRED REVENUE

Deferred revenue mainly represents the unamortised portion of income received in respect of Premium Gaming Resource paid by game players for mobile game services.

Revenue of HK\$220,456,000 recognised in the year ended 31 December 2025 was included in the balance of deferred revenue at the beginning of the year.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

Company	Note	Share	Share	Share-based	Shares held for	Shares	Share	Other	Exchange	Retained	Total
		capital	premium	payment	share award	repurchased	repurchased				
		(note 29(c))	(note 29(d)(i))	(note 29(d)(ii))	scheme	for cancellation	treasury shares	(note 29(d)(iv))	(note 29(d)(iii))	earnings	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024		23	-	118,743	(198,703)	(7,931)	-	56,033	17,415	2,940,365	2,925,945
Changes in equity for 2024:											
Profit for the year		-	-	-	-	-	-	-	-	580,676	580,676
Other comprehensive income		-	-	-	-	-	-	-	(46,973)	-	(46,973)
Dividends declared in respect of the current year	29(b)	-	-	-	-	-	-	-	-	(99,810)	(99,810)
Equity-settled share-based payment		-	-	26,335	-	-	-	-	-	-	26,335
Shares purchased for the share award scheme	29(c)	-	-	-	(5,435)	-	-	-	-	-	(5,435)
Repurchase of ordinary shares	29(c)	-	-	-	-	(32,863)	(13,753)	-	-	-	(46,616)
Cancellation of ordinary shares	29(c)	-*	-	-	-	40,794	-	-	-	(40,794)	-
Exercise of share options	29(c)	-*	335	(72)	-	-	-	-	-	-	263
Vesting of awarded shares	29(c)	-	(335)	(19,368)	28,733	-	-	-	-	(9,030)	-
Dividends from share award scheme		-	-	-	-	-	-	2,400	-	-	2,400
Balance at 31 December 2024		<u>23</u>	<u>-</u>	<u>125,638</u>	<u>(175,405)</u>	<u>-</u>	<u>(13,753)</u>	<u>58,433</u>	<u>(29,558)</u>	<u>3,371,407</u>	<u>3,336,785</u>

* These amounts represent amounts less than HK\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(a) Movements in components of equity (Continued)

Company	Note	Share	Share	Share-based	Shares held for	Share	Other	Exchange	Retained	Total
		capital	premium	payment	share award	repurchased				
		(note 29(c))	(note 29(d)(i))	(note 29(d)(ii))	scheme	for held as				
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	treasury shares	reserve	reserve	earnings	HK\$' 000	HK\$' 000
						(note 29(d)(iv))	(note 29(d)(iii))			
Balance at 1 January 2025	23	-	125,638	(175,405)	(13,753)	58,433	(29,558)	3,371,407	3,336,785	
Changes in equity for 2025:										
Profit for the year	-	-	-	-	-	-	-	580,493	580,493	
Other comprehensive income	-	-	-	-	-	-	7,991	-	7,991	
Dividends declared in respect of the current year	29(b)	-	-	-	-	-	-	(160,089)	(160,089)	
Dividends approved in respect of the previous year	29(b)	-	-	-	-	-	-	(74,999)	(74,999)	
Equity-settled share-based payment	-	-	24,713	-	-	-	-	-	24,713	
Shares purchased for the share award scheme	29(c)	-	-	-	(19,790)	-	-	-	(19,790)	
Repurchase of ordinary shares	29(c)	-	-	-	-	(107,418)	-	-	(107,418)	
Exercise of share options	29(c)	-	8,207	(3,238)	-	-	-	-	4,969	
Vesting of awarded shares	29(c)	*	(8,207)	(18,111)	29,023	-	-	(2,705)	-	
Dividends from share award scheme	-	-	-	-	-	5,173	-	-	5,173	
Balance at 31 December 2025	23	-	129,002	(166,172)	(121,171)	63,606	(21,567)	3,714,107	3,597,828	

* This amount represents an amount less than HK\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2025 HK\$' 000	2024 HK\$' 000
Interim dividend declared and paid of HK8.3 cents (2024: HK8.5 cents) per ordinary share	95,593	99,810
Special dividend declared and paid of HK5.6 cents (2024: nil) per ordinary share	64,496	–
Second interim dividend proposed after the end of the reporting period of HK6.7 cents per ordinary share (2024: HK6.4 cents)	77,292	74,919
Special dividend proposed after the end of the reporting period of HK47.7 cents per ordinary share (2024: nil)	546,708	–
	<u>784,089</u>	<u>174,729</u>

The dividend proposed after the end of the reporting period had not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 HK\$' 000	2024 HK\$' 000
Second interim dividend in respect of the previous year, approved and paid during the year, of HK6.4 cents per ordinary share (2024: nil)	74,999	–
	<u>74,999</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Share capital

As at 31 December 2025 and 2024, the authorised share capital of the Company comprises 2,000,000,000 ordinary shares with par value of US\$0.000025 per share.

A summary of the transactions during the year in the Company's issued share capital is as follows:

	Note	Number of shares issued and fully paid [^] HK\$' 000	Issued capital HK\$' 000	Share premium HK\$' 000	Shares held for share award scheme HK\$' 000	Shares repurchased for cancellation HK\$' 000	Share repurchased for held as treasury shares HK\$' 000
At 1 January 2024		1,186,638,599	23	–	(198,703)	(7,931)	–
Vesting of awarded shares		–	–	(335)	28,733	–	–
Share options exercised (note 26)		75,000	–*	335	–	–	–
Shares purchased for the share award scheme		–	–	–	(5,435)	–	–
Repurchase of ordinary shares		–	–	–	–	(32,863)	(13,753)
Cancellation of ordinary shares		(12,402,000)	–*	–	–	40,794	–
At 31 December 2024		1,174,311,599	23	–	(175,405)	–	(13,753)
Vesting of awarded shares		–	–	(8,207)	29,023	–	–
Share options exercised (note 26)		1,269,000	–*	8,207	–	–	–
Shares purchased for the share award scheme	i	–	–	–	(19,790)	–	–
Repurchase of ordinary shares	ii	–	–	–	–	–	(107,418)
At 31 December 2025		1,175,580,599	23	–	(166,172)	–	(121,171)

* These amounts represent amounts less than HK\$1,000.

[^] As at 31 December 2025, the total number of issued ordinary shares of the Company included 28,026,498 shares (31 December 2024: 27,537,280 shares) held under the share award scheme and 29,793,000 shares held as treasury shares (31 December 2024: 3,707,000 shares).

Notes:

- (i) During the year ended 31 December 2025, the Company purchased 5,105,000 shares on the Stock Exchange pursuant to the share award scheme at an average price of approximately HK\$3.88 per share with total consideration of HK\$19,790,000.
- (ii) During the year ended 31 December 2025, the Company repurchased 26,086,000 shares on the Stock Exchange with an average price of approximately HK\$4.12 per share. The total amount paid on the repurchased shares was HK\$107,418,000.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(d) Nature and purpose of reserves

(i) *Share premium*

Under the Companies Act (As Revised) of the Cayman Islands, the share premium of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(ii) *Share-based payment reserve*

The share-based payment reserve comprises the fair value of share options and awarded shares granted which are yet to be exercised. The amount will either be transferred to the share premium when the related share options are exercised, or be transferred to treasury shares when the related awarded shares are vested and transferred, or be transferred to retained earnings should the related options expire or be forfeited.

(iii) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(t).

(iv) *Other reserve*

Other reserve represents dividends received for shares held by the trustee account for the Group's share award scheme.

(e) 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 support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it 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 adjust the dividend payment to shareholders, return capital to shareholders, repurchase the Company's own shares or issue new shares. No change was made in the objectives, policies or processes for managing capital during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(e) Capital management *(Continued)*

The Group monitors capital by regularly reviewing the gearing ratio, which is total liabilities, divided by total assets. Capital represents total equity shown in the consolidated statement of financial position.

The Group's gearing ratio at 31 December 2025 and 2024 was as follows:

	2025 HK\$' 000	2024 HK\$' 000
Total current liabilities	1,148,366	1,259,563
Total non-current liabilities	29,225	34,682
	<u>1,177,591</u>	<u>1,294,245</u>
Total current assets	2,988,344	2,872,376
Total non-current assets	1,665,699	1,546,280
	<u>4,654,043</u>	<u>4,418,656</u>
Gearing ratio	<u>25.3%</u>	<u>29.3%</u>

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and funds receivable.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables and Funds receivable

The Group's credit terms with its customers are generally one to three months.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Funds receivable from third-party payment service providers are normally settled within three months. The Group carefully considers and monitors the creditworthiness of these third-party payment service providers. The Group has a large number of customers and there is no significant concentration of credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivables and funds receivable balances. Trade receivables and funds receivable are non-interest bearing.

The Group measures loss allowances for trade receivables and funds receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2025		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	2.21%	<u>121,727</u>	<u>2,689</u>
	2024		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	2.20%	<u>127,349</u>	<u>2,796</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables and Funds receivable (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for funds receivable:

	2025		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	0.28%	281,168	782
Individual provision	100.00%	17,710	17,710
Total		<u>298,878</u>	<u>18,492</u>
	2024		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	0.28%	281,700	784
Individual provision	100.00%	17,666	17,666
Total		<u>299,366</u>	<u>18,450</u>

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables and Funds receivable (Continued)

Movement in the loss allowance account in respect of trade receivables and funds receivable during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	21,246	17,221
Impairment losses (reversed)/recognised during the year	<u>(65)</u>	<u>4,025</u>
Balance at 31 December	<u><u>21,181</u></u>	<u><u>21,246</u></u>

There are no significant changes in the gross carrying amounts of trade receivables and funds receivable during the year contributed to changes in the loss allowance.

(b) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As at 31 December 2025, the Group held cash and cash equivalents of HK\$2,414,275,000 (31 December 2024: HK\$2,245,666,000) and had no bank or other interest-bearing borrowings except for lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The following table show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay.

	2025					Carrying amount at 31 December HK\$' 000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	
Trade and other payables	681,943	–	–	–	681,943	681,943
Other financial liabilities	4,084	–	–	–	4,084	4,084
Lease liabilities	35,151	11,158	17,450	457	64,216	59,892
	<u>721,178</u>	<u>11,158</u>	<u>17,450</u>	<u>457</u>	<u>750,243</u>	<u>745,919</u>
	2024					Carrying amount at 31 December HK\$' 000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	
Trade and other payables	788,805	–	–	–	788,805	788,805
Other financial liabilities	1,638	–	–	–	1,638	1,638
Lease liabilities	52,990	26,499	7,685	–	87,174	83,912
	<u>843,433</u>	<u>26,499</u>	<u>7,685</u>	<u>–</u>	<u>877,617</u>	<u>874,355</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from lease liabilities. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's lease liabilities at the end of the reporting period.

	2025		2024	
	Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
Fixed rate borrowings:				
Lease liabilities	4.64%	<u>59,892</u>	4.72%	<u>83,912</u>

(ii) Sensitivity analysis

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instrument, a change in interest rates at the reporting date would not affect the profit or loss.

(d) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(d) Foreign currency risk (Continued)

The following table indicates the instantaneous change in the Group's profit after tax and retained earnings that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant:

	2025			2024		
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax HK\$' 000	Effect on retained earnings HK\$' 000	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax HK\$' 000	Effect on retained earnings HK\$' 000
Renminbi	5%	(35,738)	(35,738)	5%	(26,063)	(26,063)
	(5%)	35,738	35,738	(5%)	26,063	26,063
Singapore dollars	5%	798	798	5%	657	657
	(5%)	(798)	(798)	(5%)	(657)	(657)
Hong Kong dollars	5%	1,151	1,151	5%	1,323	1,323
	(5%)	(1,151)	(1,151)	(5%)	(1,323)	(1,323)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(e) Equity price risk

The Group is mainly exposed to equity price changes arising from financial assets measured as FVPL (see note 18).

The Group's listed investments are listed on the NASDAQ, Stock Exchange of Hong Kong and the New York Stock Exchange. Listed investments that are not held for trading purposes have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

All of the Group's unquoted investments are held for long-term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans.

At 31 December 2025, it is estimated that with all other variables held constant, an increase/(decrease) of 5% (2024: 5%) in prices of the respective instruments would have increased/decreased the Group's profit after tax (and retained earnings) by HK\$21,996,000 (2024: HK\$18,831,000).

The sensitivity analysis indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise assuming that the changes in prices had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2024.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

	Fair value at 31 December 2025 HK\$' 000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1 HK\$' 000	Level 2 HK\$' 000	Level 3 HK\$' 000
Recurring fair value measurements				
<i>Assets:</i>				
Treasury investments and others	13,478	13,478	–	–
Listed equity securities	15,144	15,144	–	–
Unquoted equity securities	452,280	–	–	452,280
<i>Liabilities:</i>				
Other financial liabilities	4,084	–	4,084	–

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value at 31 December 2024 HK\$' 000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 HK\$' 000	Level 2 HK\$' 000	Level 3 HK\$' 000
Recurring fair value measurements				
<i>Assets:</i>				
Treasury investments and others	15,968	15,968	–	–
Listed equity securities	8,117	8,117	–	–
Unquoted equity securities	387,161	–	–	387,161
<i>Liabilities:</i>				
Other financial liabilities	1,638	–	1,638	–

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

Other financial liabilities represent call options on stocks. The fair value of other financial liabilities in Level 2 is determined by discounting the difference between the strike price and the underlying asset price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period.

Information about Level 3 fair value measurements

The Group's financial team performs valuation on level 3 financial instruments for financial reporting purpose. The team performs valuation, or necessary updates at each interim and annual reporting date. The team adopts various valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts may also be involved and consulted when it is necessary.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

Unquoted equity securities mainly represented investments in certain private equity funds and non-listed internet companies. The fair value of these private equity funds was mainly determined using the latest available financial information. The latest available financial information was adjusted by unobservable inputs such as the latest round financing of the funds' underlying investments, when applicable. The higher the price of the latest round financing for these underlying investments, the higher the fair value of the private equity funds would be.

And the fair value of non-listed internet companies was mainly determined using a market-based valuation model or the latest available financial information. The market-based valuation model requires the Group to determine comparable public companies based on industry, size, leverage and strategy, and to calculate enterprise value to revenue ("EV/Revenue") multiple for each comparable company identified. And the equity value of non-listed investments is calculated based on the multiple, revenue, surplus assets and surplus liability of non-listed investments and the discount for lack of marketability. The discount is used for considerations such as illiquidity between the comparable companies based on company-specific facts and circumstances. Below is a summary of quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Market-based valuation model	EV/Revenue multiple of comparable companies	2025: 6.7 (2024: 4.0)	5% increase/decrease in multiple would result in increase/decrease in fair value by HK\$4,843,000/HK\$4,843,000 (2024: HK\$2,380,000/HK\$2,380,000)
	Discount for lack of marketability ("DLOM")	2025: 25% (2024: 25%)	5% increase/decrease in DLOM would result in decrease/increase in fair value by HK\$1,714,000/HK\$1,714,000 (2024: HK\$979,000/HK\$979,000)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

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

	2025 HK\$' 000	2024 HK\$' 000
Unquoted equity securities:		
At 1 January	387,161	468,838
Additional investments acquired	29,649	7,782
Net unrealised gains/(losses) recognised in profit or loss during the year	37,867	(84,768)
Disposal	(6,207)	–
Exchange adjustments	3,810	(4,691)
	<u>452,280</u>	<u>387,161</u>
At 31 December	<u>452,280</u>	<u>387,161</u>
Total gains/(losses) for the year included in profit or loss for assets held at the end of the reporting period	<u>37,867</u>	<u>(84,768)</u>

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

31 COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the financial statements were as follows:

	2025 HK\$' 000	2024 HK\$' 000
Contracted for:		
Construction of self-use office building	–	41,970
Investment contracts	29,471	3,726
Purchase of equipment	–	1,088
	<u>29,471</u>	<u>46,784</u>

32 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's executive directors as disclosed in note 8, is as follows:

	2025 HK\$' 000	2024 HK\$' 000
Short-term employee benefits	32,609	53,131
Post-employment benefits	188	182
Equity-settled share-based payment	6,058	7,986
	<u>38,855</u>	<u>61,299</u>

Total remuneration is included in "staff costs" (see note 6(a)).

(b) Other transactions and outstanding balances with related parties

For the year ended 31 December 2025, Tap Media Technology Pte. Ltd., a joint venture of the Group, provided advertising services to the Group. The advertising expense recognised for the year ended 31 December 2025 was HK\$10,952,000 (2024: HK\$19,251,000).

Save as disclosed above, the Group did not have any other material transactions or outstanding balances with related parties.

None of the above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Non-current assets		
Investments in subsidiaries	3,310,143	2,967,042
Interests in associates and joint ventures	495	108
Intangible assets	866	–
Financial assets at fair value through profit or loss	263,381	243,967
Total non-current assets	<u>3,574,885</u>	<u>3,211,117</u>
Current assets		
Prepayments and other receivables	551	667
Amounts due from subsidiaries	61,292	60,791
Cash and cash equivalents	210,868	162,595
Total current assets	<u>272,711</u>	<u>224,053</u>
Current liabilities		
Amounts due to subsidiaries	242,670	89,827
Other payables and accruals	7,098	8,558
Total current liabilities	<u>249,768</u>	<u>98,385</u>
Net current assets	<u>22,943</u>	<u>125,668</u>
NET ASSETS	<u>3,597,828</u>	<u>3,336,785</u>
CAPITAL AND RESERVES		
Share capital	23	23
Reserves	3,597,805	3,336,762
TOTAL EQUITY	<u>3,597,828</u>	<u>3,336,785</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

DEFINITION

“2023 AGM”	the annual general meeting of the Company held on 29 June 2023
“APP Business”	Development and operations of the Group’s mobile applications
“Articles of Association”	the fourth amended and restated articles of association of the Company adopted by special resolution passed at the annual general meeting of the Company held on 29 May 2024
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day(s)”	a day on which banks in Hong Kong and the Cayman Islands are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong or the Cayman Islands
“BVI”	British Virgin Islands
“China” or “PRC”	the People’s Republic of China, for the purpose of the annual report, excluding Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules
“Corporate Governance Code”	corporate governance code contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Duke Online”	Duke Online Holdings Limited, an exempted company incorporated under the laws of the BVI on 10 September 2007 with limited liability, the entire issued share capital of which is owned by Mr. Zongjian Cai

DEFINITION

“Edmond Online”	Edmond Online Holdings Limited, an exempted company incorporated under the laws of the BVI on 10 September 2007 with limited liability, the entire issued share capital of which is owned by Mr. Yuan Chi
“Founders”	Mr. Zongjian Cai (蔡宗建) and Mr. Yuan Chi (池元)
“Fuzhou Tianji”	Fuzhou TJ Digital Entertainment Co., Ltd.* (福州天極數碼有限公司), a limited liability company established under the laws of the PRC on 15 November 2007, a wholly-owned subsidiary of the Company
“Fuzhou Tianmeng”	Fuzhou Skyunion Digital Co., Ltd* (福州天盟數碼有限公司), a limited liability company established under the laws of the PRC on 12 December 2006, which is owned as to 50% by Mr. Deyang Zheng and 50% by Mr. Chengfeng Luo, respectively
“Fuzhou Tianmeng Registered Holders”	Mr. Deyang Zheng (鄭德陽) and Mr. Chengfeng Luo (羅承鋒)
“Fuzhou Tianmeng Structured Contracts”	a series of contracts which include the New Call Option Agreement, the New Exclusive Technical Consulting Service Agreement, the New Equity Pledge Agreement, the New Power of Attorney, the New Online Game Licensing Agreement and the Spouse Undertakings
“Group”, “IGG”, “we”, “our” or “us”	the Company and its subsidiaries
“Hainan Tianzhi”	Hainan Tianzhi Network Technology Co., Ltd* (海南天志網絡科技有限公司), a limited liability company established under the laws of the PRC on 28 August 2020, a wholly-owned subsidiary of the Company
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

* For identification purpose only

DEFINITION

“ICP License”	a value-added telecommunications business operation license with a service scope of information services of category 2 value-added telecommunication services
“IGG (Hainan) Capital”	IGG (Hainan) Capital Co., Ltd.* (海南艾聚創業投資有限公司), a limited liability company established under the laws of the PRC on 3 August 2021, a wholly-owned subsidiary of the Company
“IGG Capital”	IGG Capital, an exempted company incorporated in the Cayman Islands with limited liability on 25 March 2021, a wholly-owned subsidiary of the Company
“IGG Capital Limited”	IGG Capital Limited, a limited company incorporated in Hong Kong under the laws of Hong Kong on 7 June 2021, a wholly-owned subsidiary of the Company
“IGG Singapore”	IGG Singapore Pte. Ltd., a company incorporated under the laws of Singapore on 30 June 2009, a wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	individual(s) or company(ies) who is/are not connected with (within the meaning of the Listing Rules) any of the Company, Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“IP”	Intellectual Property
“Listing”	the listing of the Shares on the GEM
“Listing Date”	18 October 2013, on which dealings in Shares first commence on the GEM of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the required standard of dealings for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules

* For identification purpose only

DEFINITION

“OptiMobi”	OptiMobi, an exempted company incorporated in the Cayman Islands with limited liability on 8 September 2022, a wholly-owned subsidiary of the Company
“Performance-based Awarded Shares”	such number of Shares awarded by the Board pursuant to the Performance-based Share Award Scheme
“Performance-based Share Award Scheme”	the performance-based share award scheme adopted by the Company on 21 May 2021, the principal terms of which are summarised in the announcement and circular of the Company dated 21 May 2021 and 28 June 2021, respectively
“Previous Structured Contracts”	a series of contracts (as supplemented) which include the Call Option Agreement, the Exclusive Technical Consulting Service Agreement, the Equity Pledge Agreement, the Power of Attorney and the Online Game Licensing Agreement, details of which are set out on Page 84 to Page 85 of the 2018 Annual Report of the Company
“Prospectus”	the prospectus of the Company dated 11 October 2013
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“SGD”	Singapore dollar, the lawful currency of Singapore
“Share(s)”	ordinary share(s) of US\$0.0000025 each in the share capital of the Company

DEFINITION

“Share Award Scheme”	the share award scheme adopted by the Company on 24 December 2013 and amended on 19 August 2021 and 28 March 2023 (effective date: 28 June 2023), the principal terms of which are summarised in the announcements of the Company dated 24 December 2013, 19 August 2021 and 28 March 2023
“Share Incentive Scheme”	the share incentive scheme adopted by the Company on 29 June 2023 and amended on 26 March 2025, the principal terms of which are summarised in the circular and announcement of the Company dated 28 April 2023 and 26 March 2025, respectively
“Shareholder(s)”	shareholder(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 16 September 2013 and subsequently terminated with effect from 29 June 2023, the principal terms of which are summarised under the paragraph headed “Share Option Scheme” in Appendix IV to the Prospectus
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Structured Contracts”	the Fuzhou Tianmeng Structured Contracts and the Xinhan Liaokuo Structured Contracts
“Treasury Shares”	has the meaning ascribed thereto in the Listing Rules
“Xinhan Liaokuo”	Hainan Xinhan Liaokuo Network Technology Co., Ltd.* (海南新瀚遼闊網絡科技有限公司), a limited liability company established under the laws of the PRC on 29 September 2020, which is owned as to 50% by Mr. Deyang Zheng and 50% by Mr. Chengfeng Luo, respectively
“Xinhan Liaokuo Registered Holders”	Mr. Deyang Zheng (鄭德陽) and Mr. Chengfeng Luo (羅承鋒)
“Xinhan Liaokuo Structured Contracts”	a series of contracts which include the Xinhan Liaokuo Call Option Agreement, the Xinhan Liaokuo Exclusive Technical Consulting Service Agreement, the Xinhan Liaokuo Equity Pledge Agreement, the Second Power of Attorney, the Xinhan Liaokuo Online Game Licensing Agreement and the Second Spouse Undertakings

* For identification purpose only

DEFINITION

“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“Year”	the year ended 31 December 2025
“%”	per cent

If there is any inconsistency between the English and Chinese texts of this report, the English text of this report shall prevail over the Chinese text.