



# 2024

## 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

Dr. Horn Kee Leong

Mr. Kam Wai Man

Ms. Feng Li (appointed on 29 May 2024)

Ms. Zhao Lu (resigned on 29 May 2024)

### BOARD COMMITTEES

#### Audit Committee

Dr. Horn Kee Leong (*Chairman*)

Mr. Kam Wai Man

Ms. Feng Li (appointed on 29 May 2024)

Ms. Zhao Lu (resigned on 29 May 2024)

#### Nomination Committee

Dr. Horn Kee Leong (*Chairman*)

Mr. Zongjian Cai

Mr. Kam Wai Man

Ms. Feng Li (appointed on 29 May 2024)

Ms. Zhao Lu (resigned on 29 May 2024)

#### Remuneration Committee

Ms. Feng Li (*Chairman*) (appointed on 29 May 2024)

Mr. Zongjian Cai

Mr. Kam Wai Man

Ms. Zhao Lu (resigned on 29 May 2024)

### 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

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#18-84 Mapletree Business City

Singapore 117372

### 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  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### COMPANY WEBSITE

[www.igg.com](http://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

As we look back at 2024, the gaming industry has become increasingly competitive, with rising marketing costs posing ongoing challenges. Despite these obstacles, we have embraced the challenges and achieved notable breakthroughs. In 2023, three emerging projects – “Doomsday: Last Survivors”, “Viking Rise”, and the APP Business – delivered impressive results. In 2024, we capitalised on this success and achieved significant year-on-year revenue growth of 67% for these projects. They now represent 49% of the Group's total revenue, up from 32% in 2023, reinforcing our commitment to diversified growth.

### NEW CHAPTER: DIVERSIFIED DEVELOPMENT

In 2023, the highly-rated games “Doomsday: Last Survivors” and “Viking Rise” were launched. After two years of optimised operation, these titles achieved revenues of approximately HK\$1 billion and HK\$700 million in 2024, respectively. Together, they represent 30% of the Group's total revenue, establishing themselves as essential contributors alongside “Lords Mobile”. “Lords Mobile”, the Group's enduring flagship title, has continued to generate stable revenue since its launch nine years ago, contributing nearly HK\$2.6 billion in 2024. These three titles reinforce our diversified and well-balanced revenue structure, ushering in a new chapter for the Group.

We have been actively exploring new growth drivers beyond games since 2013. After a decade of perseverance, we successfully developed a proprietary ad traffic platform supported by service-oriented mobile applications. Leveraging our global operational expertise, we have replicated the success of our gaming business in the APP Business, achieving a new milestone of 62 million monthly active users worldwide. The APP Business contributed HK\$1.1 billion in 2024, further strengthening the Group's diversified revenue structure. The rapid growth of the APP Business not only equips IGG with a traffic platform that grows alongside the gaming business but also sharpens our competitive edge in an increasingly competitive gaming industry.

### MOTIVATION: SELF-DRIVEN

In today's rapidly changing landscape, we embrace challenges and remain self-driven. From the research and development stage through to live operations, we constantly ask questions, explore new ideas, and strive to innovate. Can we make our product better? How we can improve gamers' experience? Over the past year, we introduced innovative features such as account entrustment and alliance vaults in “Doomsday: Last Survivors”, along with new gameplay elements like battle royale and mercenary guild battles in “Viking Rise”. By combining different game genres and fostering in-game communities, we were able to extend the lifespan of our games. Additionally, we leveraged generative AI technology to reduce development costs and optimise user acquisition, helping us maintain a competitive edge in a fast-changing market.

## CHAIRMAN'S STATEMENT

Looking back at the evolution of our APP Business, we initially started with instant messaging applications, expanded into utility applications, before successfully focusing our efforts on service-oriented mobile applications two years ago. Leveraging over a decade of global operational expertise and a base of more than one billion users, the APP Business has experienced rapid growth in the past two years, demonstrating our competitive edge in the industry. The traffic generated by the APP Business also creates synergies with our gaming business. Furthermore, the APP Business accounted for approximately one-fifth of the Group's total revenue, as well as contributing significant profits, enhancing the Group's strategic advantage.

### OUTLOOK: STEADY GROWTH

In 2023, we successfully transformed a net loss into a net profit of HK\$73 million. Building on this momentum in 2024, we achieved an impressive year-on-year net profit growth of 697%, reaching HK\$580 million. Over the past two years, we have effectively navigated challenges and orchestrated a significant turnaround. As we move forward, we remain committed to delivering consistent growth and long-term profitability.

Looking ahead at 2025, we will continue to leverage our strengths and expertise in strategy games by launching new products. Our APP Business has yielded promising results after years of persistent effort. This breakthrough instils confidence in our ability to reach new heights. As we embark on this journey, we set sail once again, determined to write a new chapter of diverse growth.

*Zongjian Cai*  
**Chairman and Executive Director**

26 March 2025



## 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 1.5 billion users in total and over 17 million monthly active users ("MAU"), while the APP Business has also hit its stride after a decade of perseverance. 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 2024, the Group reinforced its development goal of "diversified growth and steady profitability" through three growth drivers: two highly-rated games, "Doomsday: Last Survivors" and "Viking Rise", along with the APP Business.

In terms of revenue, the Group experienced a 9% year-on-year increase, reaching HK\$5.74 billion in 2024. This growth was primarily driven by "Doomsday: Last Survivors" and "Viking Rise", which contributed approximately HK\$1 billion and HK\$700 million, respectively, while the APP Business generated HK\$1.1 billion. These three contributors accounted for 49% of the Group's revenue in 2024, up from 32% in 2023, underscoring the success of its diversified growth strategy. "Lords Mobile", IGG's flagship title launched nine years ago, made a significant contribution of nearly HK\$2.6 billion in revenue. During the Year, revenue from Asia, Europe and North America accounted for 42%, 34% and 20%, respectively, of the Group's total revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

With the contribution of the aforementioned businesses and extensive utilisation of AI technology, the Group achieved a significant 697% year-on-year increase in net profit, reaching HK\$580 million in 2024. The Group's core business experienced a substantial surge of 3,626% year-on-year to HK\$650 million in net profit. The investment business recorded an unrealised loss of approximately HK\$70 million due to fair-value changes of investees.

### **“Lords Mobile”**

“Lords Mobile”, IGG’s blockbuster title that debuted nine years ago, is the Group’s first cross-platform, multi-language, real-time game, lauded by Sensor Tower for its longevity<sup>1</sup>, and designed for a global audience. It has received widespread acclaim from gamers, and consistently generates stable revenue for the Group. As of 31 December 2024, it has amassed 740 million registered users worldwide and has 9 million MAU. In the second half of 2024, the game introduced the much-anticipated “Chaos Arena” feature, alongside ongoing IP collaborations and various offline events, to sustain player interest.

### **“Doomsday: Last Survivors”**

Since its launch in August 2021, the game “Doomsday: Last Survivors” has regularly introduced new features, including account entrustment, an alliance vault, and multiple mini-games, to enhance gamer engagement. Additionally, the game ran a series of collaborations with different partners, including the classic game “Metal Slug 3”, and hit movie “Pacific Rim”. These initiatives, coupled with offline tournaments, were well-received by its 73 million players<sup>2</sup>, leading to a 50% year-on-year increase in revenue. Following the success of the first International Offline SLG Championship held last year, the Group is gearing up for the “2025 World Championship” for “Doomsday: Last Survivors”, “Lords Mobile” and “Viking Rise” to let players experience the thrill of ‘live’ competitive gaming.

### **“Viking Rise”**

“Viking Rise”, the Group’s first Viking-themed strategy game, received widespread acclaim when it was launched in December 2022. Throughout the year, the game continued to introduce new features, including Battle Royale gameplay, mercenary guild battles and a new conquest season entitled “Fenrir’s Judgement”. Additionally, the game reintroduced a collaboration with the popular TV show “Vikings” from MGM Television and its spinoff series “Vikings: Valhalla”. These enhancements and marketing initiatives resonated with its 40 million players<sup>2</sup>, driving a remarkable 66% year-on-year increase in revenue.

<sup>1</sup> Source: Sensor Tower, a third-party analytics platform

<sup>2</sup> User data as of December 31, 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS

### APP Business

After a decade of exploration, research and development, the Group's APP Business finally achieved significant breakthroughs and remarkable growth over the past two years. It has built a proprietary ad traffic platform supported by service-oriented mobile applications. Leveraging the Group's global operational expertise and a base of more than one billion users, the APP Business reached a new milestone of 62 million MAU. It generated a remarkable HK\$1.1 billion in revenue in 2024, representing 19% of the Group's total revenue. The APP Business has emerged as a vital growth driver for the Group, contributing notably to a net profit of HK\$95 million.

### Investments

The main objectives of the Group's investments are to strengthen its overall R&D capability and enrich its product portfolio. Through strategic agreements with companies in the games industry, including licensed publishing and outsourced game development, the Group strives to diversify its game portfolio. At the same time, the Group tracks strategic directions in the Internet industry by investing in private equity funds with outstanding performance and portfolios focused on mobile Internet business. During the Year, the Group's investments recorded a net loss of approximately HK\$70 million due to fair value changes of investees.

### PROSPECTS

Entering 2025, the Group will continue to enhance its gaming and APP Business, with a commitment to sustaining long-term profitability. The Group will release two blockbuster strategy games, "Frozen War" and Project PSS alongside a blockbuster casual game, "Tycoon Master". With their innovative and meticulously crafted gameplay, these titles possess potential. The Group is dedicated to drive growth for the APP Business by enhancing its platform development.

Embracing the corporate spirit of "Innovators at Work, Gamers at Heart", the Group will continue to strengthen its global R&D and operation capabilities, to relentlessly pursue its strategy of quality, innovation, and excellence in creating innovative yet timeless games.

## MANAGEMENT DISCUSSION AND ANALYSIS

### KEY FINANCIAL INFORMATION

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Revenue	5,737,114	5,265,911
Cost of revenue	(1,126,244)	(1,346,854)
Other net gains	6,394	90,369
Selling and distribution expenses	(2,811,049)	(2,665,908)
Administrative expenses	(348,735)	(317,177)
Research and development expenses	(787,408)	(934,852)
Profit for the year	582,580	73,053
Including: Net profit for core business <sup>3</sup>	655,542	17,596
(Loss)/gain on investments <sup>4</sup>	(72,962)	55,457
Profit for the year attributable to equity shareholders of the Company	580,676	73,053
Adjusted net income <sup>5</sup>	607,011	114,987

<sup>3</sup> Net profit for core business: Net profit excluding gain on investments

<sup>4</sup> (Loss)/gain on investments including: (1) fair value change and gain/loss on disposal of financial assets at fair value through profit or loss ("FVTPL") or other financial liabilities and assets held for sale, and dividend income; and (2) share of results of associates and joint ventures, impairment loss on interest in associates and joint ventures and net gain/loss on disposal and deemed disposal of associates and joint ventures.

<sup>5</sup> Adjusted net income represents profit for the period attributable to equity shareholders of the Company excluding share-based compensation. It is considered a useful supplement to the consolidated statement of profit or loss indicating the Group's profitability and operational performance for the financial periods presented.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group's revenue for the year ended 31 December 2024 was HK\$5,737 million, representing an increase of 9% compared to HK\$5,266 million for the year ended 31 December 2023. The revenue increase for the Year was primarily driven by steady growth of two highly-rated games, "Doomsday: Last Survivors" and "Viking Rise", along with continuous rise of the APP Business.

The following table sets forth a breakdown of the Group's revenue for the years ended 31 December 2024 and 2023, respectively:

	Year ended 31 December			
	2024		2023	
	HK\$' 000	%	HK\$' 000	%
<b>Games:</b>				
"Lords Mobile"	2,588,892	45.1	3,107,515	59.0
"Doomsday: Last survivors"	1,020,890	17.8	678,575	12.9
"Viking Rise"	679,725	11.8	408,551	7.8
Other games	359,248	6.3	491,627	9.3
<b>APP Business</b>	<b>1,088,359</b>	<b>19.0</b>	<b>579,643</b>	<b>11.0</b>
<b>Total</b>	<b>5,737,114</b>	<b>100.0</b>	<b>5,265,911</b>	<b>100.0</b>

#### Cost of revenue

The Group's cost of revenue for the year ended 31 December 2024 was HK\$1,126 million, representing a decrease of 16% compared to HK\$1,347 million for the year ended 31 December 2023, primarily due to the decrease of operating costs of the Group.

#### Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2024 was HK\$4,611 million, representing an increase of 18% compared to HK\$3,919 million for the year ended 31 December 2023, primarily due to the revenue increase driven by new games and APP Business.

The Group's gross profit margin for the year ended 31 December 2024 was 80%, representing an increase of 6% as compared to 74% for the year ended 31 December 2023. The rise of gross profit margin was primarily due to the increase in proportion of APP Business revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other net gains

The Group's other net gains for the year ended 31 December 2024 was approximately HK\$6 million, representing a decrease of 93% compared to HK\$90 million for the year ended 31 December 2023, primarily due to the decline in fair value of investees. 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 2024 was HK\$2,811 million, representing an increase of 5% compared to HK\$2,666 million for the year ended 31 December 2023. The increase of selling and distribution expenses was primarily due to the promotion of APP Business.

### Administrative expenses

The Group's administrative expenses for the year ended 31 December 2024 was HK\$349 million, representing an increase of 10% compared to HK\$317 million for the year ended 31 December 2023. The increase in administrative expenses was primarily due to expansion of the Group's business which lead to increased costs of administration. Administrative expenses-to-revenue ratio for the Year was 6%, kept constant as in 2023.

### Research and development expenses

The Group's research and development expenses for the year ended 31 December 2024 was HK\$787 million, representing a decrease of 16% compared to HK\$935 million for the year ended 31 December 2023. Research and development expenses-to-revenue ratio for the Year was 14%, declined by 4% as compared to 18% for 2023. The Group continued to optimise and integrate its teams, and strictly controlled R&D expenses and leveraged on generative AI Technology, resulting in cost savings and boosted productivity during the Year.

### 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 2024 was a net gain of HK\$13 million, representing an increase of 40% as compared to HK\$9 million for the year ended 31 December 2023. This was primarily due to the increase in profits of certain associates and joint ventures. More details on share of results of associates and joint ventures are set out in note 17 to the financial statements, and 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 2024 was HK\$97 million, representing an increase of 304% compared to HK\$24 million for the year ended 31 December 2023. The increase in income tax expenses was primarily due to the greatly increase of the Group's profit for the Year.

### Capital expenditures

During the Year, the Group's capital expenditures were mainly related to purchases of property, plant and equipment, including construction of self-use office building in Fuzhou, China, renovation of offices in various regions, purchases of servers and computers; and purchases of intangible assets, such as software. Capital expenditures for the years ended 31 December 2024 and 2023 are set forth as below:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
<b>Purchase of property, plant and equipment:</b>		
Office premises and renovations <sup>#</sup>	119,075	123,138
Servers and computers	13,011	9,649
<b>Purchase of intangible assets:</b>		
Software	1,789	1,139

- # It was mainly related to the payment for the Year for construction of self-use office building in Fuzhou. On 18 January 2022, Fuzhou Tianping, an indirect wholly-owned subsidiary of the Company, entered into a letter of award with the First Company of China Eighth Engineering Division Ltd.\* (中建八局第一建设有限公司) (the "Contractor"), pursuant to which Fuzhou Tianping has awarded a construction contract to the Contractor with an aggregate construction area of approximately 49,200 square meters at a contract sum of RMB422 million (equivalent to approximately HK\$515 million, at the exchange rate on the signing date) in respect of the construction of office building(s) on the Land located in Jin'an District, Fuzhou, the PRC. The building is scheduled to be put into use in the first half of 2025. Please refer to the announcement of the Company dated 18 January 2022 for further details. Except for the aforesaid construction of self-use office building, there was no property held by the Group for development, sale or investment for which the percentage ratios (as defined under rule 14.04(9) of the Listing Rules) exceed 5% during the Year.

\* For identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity, capital resources and gearing ratio

As at 31 December 2024, the Group had net current assets of HK\$1,613 million (31 December 2023: HK\$1,115 million), and the gearing ratio of the Group, calculated as total liabilities divided by total assets, was 29.3% (31 December 2023: 26.0%).

As at 31 December 2024, the Group had cash and cash equivalents of HK\$2,246 million (31 December 2023: HK\$1,470 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 facilities as at 31 December 2024 and 31 December 2023.

The table below sets forth selected cash flow data from our consolidated statement of cash flows:

	Year ended 31 December	
	2024 HK\$' 000	2023 HK\$' 000
Net cash generated from operating activities	1,120,857	128,577
Net cash used in investing activities	(122,920)	(96,229)
Net cash used in financing activities	(205,328)	(143,671)
<b>Net change in cash and cash equivalents</b>	<b>792,609</b>	<b>(111,323)</b>
Cash and cash equivalents at 1 January	1,469,752	1,581,832
Effect of foreign exchange rate changes	(16,695)	(757)
<b>Cash and cash equivalents at 31 December</b>	<b>2,245,666</b>	<b>1,469,752</b>

### Operating activities

Net cash inflow generated from operating activities was HK\$1,121 million for the year ended 31 December 2024, compared to net cash inflow of HK\$129 million for the year ended 31 December 2023. The increase of operating activities cash inflow was primarily due to the increase of revenue and decrease of operating costs and research and development expenses.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Investing activities

Net cash outflow used in investing activities was HK\$123 million for the year ended 31 December 2024, and net cash outflow for the year ended 31 December 2023 was HK\$96 million. The cash outflow used in investing activities was primarily due to the payment for the construction of self-use office building in Fuzhou, China.

### Financing activities

Net cash outflow used in financing activities was HK\$205 million for the year ended 31 December 2024, primarily attributable to the payment of dividends and share repurchase, as well as the lease rentals paid for right-of-use assets. Net cash outflow used in financing activities for the year ended 31 December 2023 was HK\$144 million, primarily attributable to the lease rentals paid for right-of-use assets and payment for share repurchase and purchase of shares for Share Award Scheme of the Company.

### 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 Information Protection" in this annual report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Dividend

The Board resolved to declare a second interim dividend of HK6.4 cents per ordinary Share for the year ended 31 December 2024, together with the interim dividend of HK8.5 cents per ordinary Share paid in September 2024, the total dividends for the year ended 31 December 2024 would be HK14.9 cents per ordinary Share, amounting to approximately HK\$175 million (for the year ended 31 December 2023: nil).

### Share repurchase

The Group had repurchased 13,602,000 Shares during the Year, amounting to HK\$47 million. Taken into account the declared dividends of approximately HK\$175 million for the Year, total payment of share repurchase and declared dividends would be approximately HK\$222 million, which was 38% of the profit for the Year. (For the year ended 31 December 2023: repurchased 13,875,000 Shares, amounting to HK\$45 million, representing 61% of net profit for the year 2023.)

### Human resources

As at 31 December 2024, the Group had 2,028 employees (31 December 2023: 1,976).

The Group's total staff-related costs amounted to HK\$935 million for the year ended 31 December 2024 (for the year ended 31 December 2023: HK\$1,026 million).

### Investments

As at 31 December 2024, the Group's investments was HK\$580 million (as at 31 December 2023: HK\$675 million), including interests in associates and joint ventures, financial assets at fair value through profit or loss and assets held for sale. Details of the investments of the Group are set out in notes 11, 17 and 18 to the financial statements.

Details of (loss)/gain on investments of the years ended 31 December 2024 and 2023 are set forth below:

	Year ended 31 December	
	2024	2023
	HK\$' 000	HK\$' 000
Fair value change and gain on disposal of other financial assets and dividend income		
— Griffin Gaming Partners, L.P.	(10,028)	4,304
— MFund, L.P.	(48,213)	67,286
— Other funds and equity investments	(1,351)	17,758
Impairment loss on interests in associates and joint ventures	(26,511)	(43,279)
Net gains on disposal and deemed disposal of associates and joint ventures	15	—
Share of results of associates and joint ventures	13,126	9,388
<b>Total</b>	<b>(72,962)</b>	<b>55,457</b>



## MANAGEMENT DISCUSSION AND ANALYSIS

### Private equity funds

As at 31 December 2024, the Group held private equity funds at fair value through profit or loss amounting to approximately HK\$298 million, mainly including 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 cost as at 31 December 2023 HK\$' 000	Investments cost as at 31 December 2024 HK\$' 000	Fair value as at 31 December 2023 HK\$' 000	Fair value as at 31 December 2024 HK\$' 000 (Note)	Unrealised (loss) on change in fair value for the Year HK\$' 000	Realised gain for the Year HK\$' 000	Dividend received/receivable during the Year HK\$' 000
MFund, L.P. ("MFund")	4.71%	23,286	23,286	186,261	114,458	(70,948)	–	22,735
Griffin Gaming Partners, L.P. ("Griffin")	5.44%	89,532	89,532	110,103	99,404	(10,028)	–	–

Note: During the Year, the unrealised exchange loss of the above investments was approximately HK\$1.53 million.

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), accounting for approximately 4.37% interests<sup>6</sup>. MFund has a diversified investment portfolio, including equity investments in 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 0.53% and 2.59% of the total assets of the Group as at 31 December 2024, respectively.

The Group first entered into a limited partnership agreement with an Independent Third Party to subscribe for the relevant share of interest of Griffin in 2019. Griffin mainly focuses on the investment in gaming related companies worldwide, and its investment portfolio is in line with the Group's strategic investment objective. Subsequently in 2020, the Group entered into a subscription increase letter, pursuant to which the Group's total commitment in Griffin was US\$12.0 million (equivalent to approximately HK\$93.3 million) for an aggregate of approximately 5.44% interests in it. As of 31 December 2024, the Group has contributed US\$11.52 million (equivalent to approximately HK\$89.53 million) to Griffin, and the investment cost and fair value of the Group's interests in Griffin comprised approximately 2.03% and 2.25% 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 2024.

<sup>6</sup> 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

Excepted for assets held for sale as set out in note 11 to the financial statements, during the Year, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures (for the year ended 31 December 2023: nil). More details on associates and joint ventures are set out in note 17 to the financial statements.

To optimise the Group's asset portfolio and facilitate capital utilization focused on its core business, in 2025, 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 discloseable 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 as at the date of this report.

### Capital commitment

	As at 31 December	
	2024	2023
	HK\$' 000	HK\$' 000
Construction of self-use office building	41,970	174,119
Investment contracts	3,726	5,315
Acquisition of fixed assets	1,088	—
<b>Total</b>	<b>46,784</b>	<b>179,434</b>

As at 31 December 2024, the Group had a capital commitment of HK\$47 million, which was mainly related to a balance due regarding the construction of self-use office building on the Land by Fuzhou Tianping, and contracted amount of acquisition of fixed assets by subsidiary companies of the Group, as well as contracted amount of investments in the mobile internet and gaming related funds (31 December 2023: HK\$179 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 2024.

### Contingent liabilities

The Group had no significant contingent liabilities as at 31 December 2024 (31 December 2023: nil).



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

**Mr. Zongjian Cai (蔡宗建)**, aged 47, 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 25 years of experience in 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 50, 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 25 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 (張竑)**, aged 53, 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 28 years of experience in 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 (沈潔蓀)**, aged 54, 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 28 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 on 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 52, 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, Skyline 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 68, 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 27 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 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

**Dr. Horn Kee Leong (梁漢基)**, aged 73, was appointed as an independent non-executive Director on 16 September 2013. Dr. Leong is currently the chairman of CapitalCorp Ventures Pte. Ltd. He has been Singapore's Non-resident Ambassador to Argentina since September 2020. Dr. Leong held various management positions including as an executive director and consultant of Far East Organisation Centre Pte. Ltd., the chief executive officer of Yeo Hiap Seng Ltd, the managing director of Orchard Parade Holdings Limited, a corporate finance director of Rothschild (Singapore) Limited. From 1977 to 1983, Dr. Leong held various positions at the Ministry of Finance and at the Ministry of Trade & Industry of Singapore. He was a member of Parliament of Singapore from 1984 to 2006. He was Singapore's Non-resident Ambassador to Mexico from 2006 to 2013, and was Singapore's Non-resident High Commissioner to Cyprus from 2014 to 2021. In addition to the above, Dr. Leong currently holds or held directorships in the following listed companies in the past three years preceding the date of this annual report:

Period	Name of company	Position
10 June 2013 - present	PARAGON REIT Management Pte. Ltd. (formerly known as SPH REIT Management Pte. Ltd.), which is the management company of PARAGON REIT listed on Singapore Stock Exchange	Chairman of the board
28 July 2018 - present	CSC Holding Limited, listed on Singapore Stock Exchange	Independent non-executive chairman
8 January 2019 - 15 May 2023	ESR-LOGOS Funds Management (S) Limited (formerly known as ESR Funds Management (S) Limited), which is the management company of ESR-LOGOS REIT listed on Singapore Stock Exchange	Independent non-executive director

\* For identification purpose only

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Leong graduated from Loughborough University with a bachelor's degree of technology in production engineering and management in July 1975. He completed distance learning and obtained a bachelor's degree of science in economics from University of London in August 1979 and he also finished part-time study and obtained a bachelor's degree of arts in Chinese Language and Literature from Beijing Normal University (北京師範大學) in March 2009. Dr. Leong graduated from the European Institute of Business Administration (INSEAD) with a master's degree of business administration in 1980 and he also finished part time study and obtained a master's degree of business research from the University of Western Australia in September 2009. He also graduated from the University of Western Australia with the degree of doctor of business administration in September 2013.

**Mr. Kam Wai Man (甘偉民)**, aged 50, was appointed as an independent non-executive Director on 29 June 2023. Mr. Kam has over 21 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.

**Ms. Feng Li (李鳳)**, aged 61, was appointed as an independent non-executive Director on 29 May 2024. Ms. Li has approximately 31 years of experience in enterprise management, 10 years of experience as a university teacher and 19 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.\* (福建博弈諮詢有限公司) 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.

### 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.

\* For identification purpose only

# 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 2024, 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, Dr. Horn Kee Leong, Mr. Kam Wai Man and Ms. Feng Li. 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 2024, 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 reflect characteristics of the game industry, with 31% of females as at 31 December 2024.

### Model Code

During the year ended 31 December 2024, 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 2024.

## 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 advices 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 two of the independent non-executive Directors, Dr. Horn Kee Leong and 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 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.

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 2024.

Dr. Horn Kee Leong has been serving the Company for more than nine years with comprehensive understanding and in-depth insight into the Company's business strategies and operations. He has demonstrated strong independence by providing objective views, professional advice and insights to the Board during his tenure on the Board without taking part in the day-to-day management. The Company has received a confirmation of independence from Dr. Leong according to Rule 3.13 of the Listing Rules. Taking into consideration of his independent scope of work in the past years, the Board considers that Dr. Leong is still independent under the Listing Rules despite the fact that he has served the Company for more than nine years.

Pursuant to Rule 3.13A of the Listing Rules (to be implemented on 1 July 2025), the term for an independent non-executive director on a board will be limited to a maximum of nine years. The Board proposed to appoint a new independent non-executive Director to the Board at the forthcoming annual general meeting. For further details, please refer to the circular for the forthcoming annual general meeting of the Company to be despatched in due course. As at the date of this report, Dr. Horn Kee Leong has informed the Board his intention to resign as an



## CORPORATE GOVERNANCE REPORT

independent non-executive Director upon the appointment of the new independent non-executive Director at the forthcoming annual general meeting, in order to devote more time to his family and personal commitments. The Nomination Committee and the Board are of the view that the appointment of the new independent non-executive Director and the subsequent departure of Dr. Horn Kee Leong is in line with the Board's succession planning processes which are conducted in an orderly manner and has no disruption to the operations of the Board.

### Training and Support for Directors

All Directors must keep abreast of their collective responsibilities. Any newly appointed Director would receive an induction package covering the Group's operations, businesses, governance policies and the statutory regulatory obligations and responsibilities of a director of a listed company. The Directors have been informed of the requirement under code provision C.1.4 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 2024:

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>				
Dr. Horn Kee Leong	√	√	√	√
Mr. Kam Wai Man	√	√	√	√
Ms. Feng Li (appointed on 29 May 2024)	√	√	√	√
Ms. Zhao Lu (resigned on 29 May 2024)	√	√	√	√

## 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 2024, 11 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 2024 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> )	11/11	1/1
Mr. Yuan Xu	11/11	1/1
Mr. Hong Zhang	11/11	1/1
Ms. Jessie Shen	11/11	1/1
Mr. Feng Chen	11/11	1/1
<i>Non-executive Director</i>		
Mr. Yuan Chi	11/11	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>		
Dr. Horn Kee Leong	11/11	1/1
Mr. Kam Wai Man	11/11	1/1
Ms. Feng Li (appointed on 29 May 2024)	5/5	–
Ms. Zhao Lu (resigned on 29 May 2024)	6/6	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. In addition, Ms. Feng Li confirmed that she had obtained the legal advice referred to in Rule 3.09D on 22 May 2024 and she understood her obligations as a Director of the Company.

### 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.



## CORPORATE GOVERNANCE REPORT

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.

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.

### 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](http://www.igg.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://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, Dr. Horn Kee Leong (chairman of the Audit Committee), Mr. Kam Wai Man, Ms. Feng Li (appointed on 29 May 2024) and Ms. Zhao Lu (resigned on 29 May 2024).

The Audit Committee had reviewed the Group's audited annual results for the year ended 31 December 2023 and the Group's unaudited interim results for the six months ended 30 June 2024, 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 2024. During the year ended 31 December 2024, 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 2024, 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
Dr. Horn Kee Leong	2/2
Mr. Kam Wai Man	2/2
Ms. Feng Li (appointed on 29 May 2024)	1/1
Ms. Zhao Lu (resigned on 29 May 2024)	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) (appointed on 29 May 2024), Mr. Kam Wai Man and Ms. Zhao Lu (resigned on 29 May 2024), and the executive Director, Mr. Zongjian Cai.

For the year ended 31 December 2024, the Remuneration Committee surveyed peer companies’ remuneration packages and reviewed the remuneration packages of the executive 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 2024, 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 (appointed on 29 May 2024)	2/2
Mr. Zongjian Cai	4/4
Mr. Kam Wai Man	4/4
Ms. Zhao Lu (resigned on 29 May 2024)	2/2

## 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 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, Dr. Horn Kee Leong (chairman of the Nomination Committee), Mr. Kam Wai Man, Ms. Feng Li (appointed on 29 May 2024) and Ms. Zhao Lu (resigned on 29 May 2024), and the executive Director, Mr. Zongjian Cai.

During the year ended 31 December 2024, 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 2024, 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
Dr. Horn Kee Leong	2/2
Mr. Zongjian Cai	2/2
Mr. Kam Wai Man	2/2
Ms. Feng Li (appointed on 29 May 2024)	1/1
Ms. Zhao Lu (resigned on 29 May 2024)	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 2024, 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 2024. 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 2024 are as follows:

	HK\$'000
Audit services	2,382
Non-audit services	
– interim review services	1,329
– tax services	375
	<hr/>
<b>Total</b>	<b>4,086</b>
	<hr/> <hr/>

## 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.

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 2024, 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.

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 2024.

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](http://www.igg.com) and the Stock Exchange's website at [www.hkexnews.hk](http://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

The Company has adopted the fourth amended and restated articles of association of the Company (i.e. the Articles of Association) by special resolution passed and effective at the 2024 AGM.

# 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 2024 to 31 December 2024.

### Basis of Preparation

This report mainly makes reference to the Environmental, Social and Governance (“ESG”) Reporting Guide 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 2024 annual report of the Company, covering the Group’s principal activities.

### 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.



## CORPORATE SOCIAL RESPONSIBILITY REPORT

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 2024, 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, we adhered to the qualitative targets of 2022, including meeting the Chinese national "Assessment Standard for Green Building" for our new office building, and promoting and implementing measures to improve energy use efficiency, lower water consumption, reduce waste generation and carbon emissions. We continued to periodically review the effectiveness of strategies for ESG risks and progress on meeting targets, and continuously improved ESG-related targets and policies.

The report was approved on 26 March 2025 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.

In November 2024, IGG was awarded “Governance Excellence Award” by the Greater Bay Area Association of Listed Companies ESG100 Green Advancement Awards, marking the integration of the Group’s corporate governance system and sustainable development practices under leadership of the Board.

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

# 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.

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



## CORPORATE SOCIAL RESPONSIBILITY REPORT

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

## CORPORATE SOCIAL RESPONSIBILITY REPORT

### 2.5 Identification of Material Issues

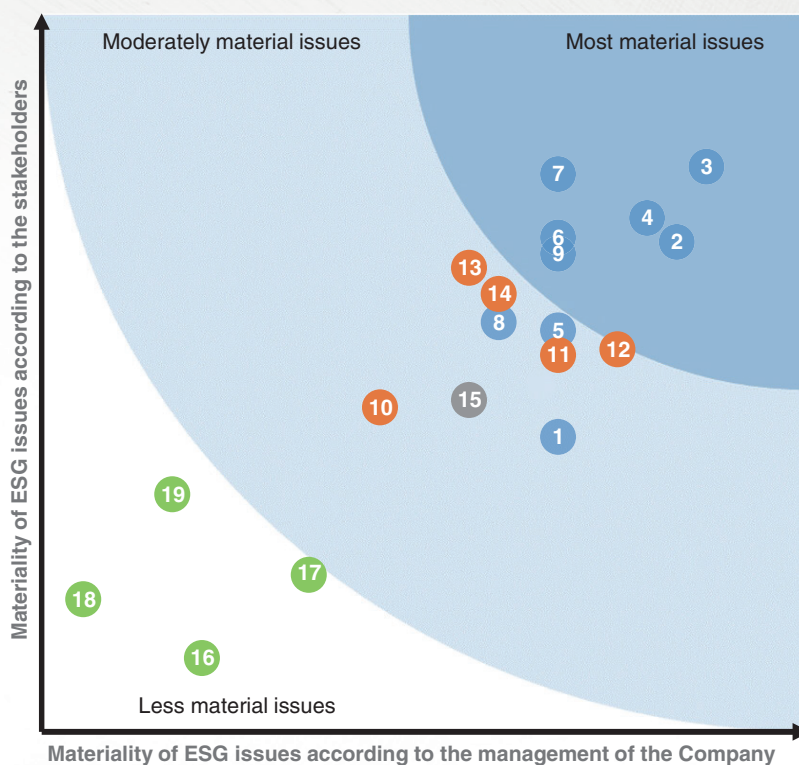
The Group has periodically conducted surveys on its related ESG issues to have a better understanding of the opinions of stakeholders, so as to derive the priorities of ESG issues, and formulate the framework and contents of disclosure in response to the requests of the stakeholders.

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 Games' 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 games' quality, operation quality, business integrity, information security and privacy protection, user services and communication, and intellectual property rights protection.



## 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 of directors, 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 was 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 need 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, 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 year 2024.

## 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 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 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 are mandatory for all staff each year. Through regular trainings, we communicate and confirm that employees are aware of relevant regulations, company policies, process requirements, and feedback channels. The training 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 information.



## 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, construction contracting, etc. There are about 400 major suppliers for year 2024, with 76% located in Asia, 13% in North America, 10% in Europe, and 1% 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. Bid invitation is required for major procurement projects, engaging both internal representatives and external experts for tender evaluations, and internal audit department for overall supervision on key processes such as bid issuance and evaluation.

During cooperation, we assess suppliers from time to time to ensure the quality of goods or services and achieve win-win cooperation. Assessment criteria were set for suppliers in various categories to check for quality of products and services, with measures such as sampling, surveying, and rating systems. Since the Group mainly focuses on the development and operation of mobile games and applications, environmental risks in supply chain management are relatively low. Products and services meeting higher environmental standards will be given priorities when selecting suppliers of office facilities, to create a healthy workspace for all employees.

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 research and development stage, IGG attracts talents from all over the world and now has a number of R&D teams worldwide. With over a decade of experience in the game industry, the team strives for continuous innovation and excellence in creating games of the highest quality. Apart from frequent content updates and regular addition of new game features, the Group also cooperates 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 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

### 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 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 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 behaviours 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

IGG keenly observes the trends in technological innovation. In early 2023, we have already adopted “Artificial Intelligence Generated Content” (AIGC) technology and established an AI research team. By integrating AI technology with our internally developed tools and platforms, and incorporating established third-party AI solutions from the market, we have further streamlined manual processes, reducing costs and improving efficiency.

Across our business activities, we have applied AI technology to areas such as R&D, operations, and management support, enabling a comprehensive AI-driven transformation. In product development, 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. In customer support, AI technology supports anomaly detection and predictive alerts, customer query handling, multilingual translation, and intelligent system upgrade, significantly improving customer service productivity and accuracy. 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

### 6.5.1 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 2024, our customer service addressed customer inquiries via various channels, including over 959,000 questions via in-game ticket submission, over 640,000 questions raised through live chat, and more than 299,000 e-mails. Customer complaint channel received about 136 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 12 or 24 hours depending on the nature of questions raised. For example, for games’ routine and prescheduled server maintenance, players will be informed by notices published on various social media 24 to 48 hours in advance, and after the relevant maintenance is completed, in-game gifts will be provided to players. 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 plan.

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 of 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

### 6.5.2 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 exhibition at major game shows, which create multidimensional experience and establish exchange communities outside the cyberspace. At the same time, we hold regular online events, including designing contest, talent show, 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 2024, we brought players a series of exciting interactive events. We hosted the world's first SLG international offline championship in Thailand, jointly launched by "Lords Mobile" and "Doomsday: Last Survivors". Besides, we held over ten offline esports competitions and player gatherings in locations such as Brazil, China, Spain, Turkey, Japan, and South Korea. In addition, major games roll out offline activities based on their unique themes. For example, "Lords Mobile" invited players to participate in the Tuscany Medieval Festival in Italy, allowing them to experience real-life scenes that recreated the game's medieval style.



2024 World Championship

## CORPORATE SOCIAL RESPONSIBILITY REPORT



Player Interactive Events

### 6.6 Information Security and Personal Information 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 (2021 Revised Edition) of Singapore, European Union's General Data Protection Regulation, California Consumer Privacy Act and California Privacy Rights Act in the USA, Regulations on Network Protection of Children's Personal Information in the PRC (《兒童個人信息網絡保護規定》), Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), 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, the Group has appointed a group Data Protection Officer, a European Union representative and designated responsible personnel for data security, and is assisted by external professionals to carry out necessary internal control measures in order to ensure compliance. In addition, the Group has communicated data privacy requirements to the relevant staffs from R&D, operation, customer services, and other supporting departments via trainings and briefings.



## CORPORATE SOCIAL RESPONSIBILITY REPORT

To strengthen information protection and handle customers' data with care, IGG's "Privacy Policy" published on the website of the Group provides information regarding the collection, use and disclosure of user information. Customer consent will be obtained before collection of information, and customers can request to amend or delete the information provided. IGG is committed to collecting, storing and using user information only within the scope declared in the "Privacy Policy" and "Terms of Service". Internally, we have formulated the "User Information Protection Measures" and "Information Security Measures" to standardise the information security management mechanism and emergency response plans, and strictly protect user information. To ensure optimal protection of data security, the Group's information management and protection mechanism includes storage encryption of users' sensitive information, using data anonymisation techniques to de-identify personal data, and adhering to internal data handling and storage protocols. Making every effort to protect users' information, we have also implemented hierarchical controls and strict authorisation matrices on data access and storage. Periodic reviews are conducted by relevant departments on access rights to database and operation support system to prevent unauthorised activities.

### *Information Security*

Information security is protected through effective measures and management mechanism. 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 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. Information technology department regularly organises 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.



## CORPORATE SOCIAL RESPONSIBILITY REPORT

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 the compliance and accuracy of information disclosed.

### 6.8 Intellectual Property Protection

Intellectual property protection has been a focus of the Group since its inception. Therefore, 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 game 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.

### 6.9 Recognition and Awards

IGG and its products have received awards from the gaming industry and the capital markets, exemplifying the industry's recognition of our product quality, global operations and targeted marketing capabilities. IGG was awarded the "Outstanding Digital Technology Company of the Year" by investment research platform "Gelonghui", and "The Best TMT Company" at the ninth Zhitong Finance Capital Market Annual Conference. IGG was selected as the "2024 Most Influential Enterprise" at the Golden Tea Awards by mobile game industry media "Game Teahouse", and "Outstanding Overseas partner" at Huawei Developer Conference 2024. "Doomsday: Last Survivors" won the "2024 Outstanding Globalised Game" at the Golden Tea Awards. The collaboration between "Lords Mobile" and "Terracotta Warriors of Qin Shihuang" was awarded the "2024 Outstanding Marketing Case" at the Game Appreciation Club Awards by gaming media "Gamer Daily".

# 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 plan in compliance with relevant requirements and protecting employees' privacy.

IGG has taken extensive measures to assess the Group's needs for human capital and maintained a talent pipeline. The Group keeps a close watch on the latest industrial news and technological development, and plan recruitment accordingly. Besides, IGG manages its database on global talent pools, utilising various channels such as external hiring and internal referral, to ensure sufficient talent supplies that matches 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 2024, IGG had 2,028 employees in total. The gender distribution of IGG’s employees reflect characteristics of the industry, with 31% of females. 28% of employees in management roles are female, and 22% of board of directors and senior management are female.

Category	Headcount	Turnover rate
All employees	2,028	16%
By gender		
Female	621	18%
Male	1,407	15%
By age group		
Below 30 years old	509	23%
30-50 years old	1,492	13%
Above 50 years old	27	3%
By geographical region		
Asia	1,904	16%
North America	94	16%
Europe	21	14%
Others	9	22%
By employment type		
Non-management roles	1,601	
Management roles	427	



## 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 employee trainings, IGG has established the "Training Management Policy". The Group customises training courses and provides training budgets based on business goals of various departments and career development needs of employees. To keep pace with latest AI technologies and industry trends, we ensure that our training courses are updated timely. The human resource department prepares training targets and plans according to different levels and job functions, covering onboarding, compliance, mental health, technical skills, soft skills, leadership, foreign language courses, etc. In addition to classroom training, on-the-job coaching and experience sharing session, IGG has introduced an online learning system "IGG Pocket Academy", which provides hundreds of courses and enables staff to learn during fragmented time. In order 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 are followed up and reviewed, in order to improve training quality.

In 2024, IGG held over 60 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%	22
By gender		
Female	100%	27
Male	100%	20
By employee category		
Non-management roles	100%	20
Management roles	100%	29

## 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.

Coming from diversified cultural backgrounds, staff at the same office may speak different languages. To overcome communication barriers caused by language differences, IGG has implemented bilingual versions of all electronic office systems and intranet information system. Meanwhile, the Group has launched an instant multilingual translation function in its internal messaging tools, enabling staff who use different languages to communicate more conveniently.

### 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 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.

In order 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 Company 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 offices in China as examples, employees can openly or anonymously submit complaints or suggestions on areas such as office environment, canteens and meals, or other facilities. Approximately 90 feedback were received and addressed promptly by responsible departments in 2024.

### *Care Undertakings for Staff*

Many IGG employees are working parents. 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 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 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 canteen, and library. The self-use office building located in Fuzhou, Fujian Province, China, is scheduled to be put into use in the first half of 2025. It will provide more comprehensive facilities and planning, creating a better work experience for 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 drill annually to enable all staff to familiarise with fire safety knowledge, evacuation routes and use of fire extinguisher. 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 canteens, internal policies such as the “Staff Canteen Management and Penalty Policy”, “Staff Canteen 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 canteen staff.

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 infectious diseases, first aid, traditional Chinese medicine, and mental wellness. In 2024, subsidiary companies organised over 30 free medical consultations, health seminars, and health knowledge campaigns, with over a thousand times of participation. 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.

## CORPORATE SOCIAL RESPONSIBILITY REPORT

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 no work-related fatalities or lost days due to work injury.



Comfortable Office Environment

### 7.6 Staff Activities

#### *Arts and Sports Activity Clubs*

IGG has set up several staff clubs, including sports, dance, volunteering, art and culture, and book club, and provided funding for club activities. The clubs held nearly 1,000 activities in 2024, providing employees with a wide array of activities outside working hours.



## CORPORATE SOCIAL RESPONSIBILITY REPORT

### *Holiday Events and Team Activities*

IGG always brings fun and pleasant surprise 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.



**Employees Activities**

## 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 2024, the Group made charitable donations of approximately HK\$290,000.



## CORPORATE SOCIAL RESPONSIBILITY REPORT

### 8.1 Assisting in Future 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 2024, 161 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 in game designs, art, and operation, and students can earn professional training credits to fulfil respective course requirements at tertiary institutions in Singapore from their internship at IGG. We donated scholarship to tertiary institutions in Singapore for students from game-related majors with outstanding academic achievement.

### 8.2 Charity Activities

By introducing charitable initiatives into our games, we can spread the word to advocate awareness for social causes. In August 2024, "Lords Mobile", in collaboration with the Foundation for the Welfare of the Crippled in Thailand, organised a charity event, inviting players to visit a school for disabled children to distribute lunches and snacks. In early 2025, "Doomsday: Last Survivors" introduced a charity game pack to raise funds for a non-profit environmental organisation, Ecomar Foundation, promoting the concepts of ocean protection and sustainable development.

We continuously dedicate to history and cultural heritage protection by leveraging on our advantage in games. In recent years, we cooperated with several traditional cultural artists and world-renowned museums, and innovatively integrated classic relics, intangible cultural heritage, and other cultural elements into the design and operation of games, to let more players experience the charm of classic art and cultural treasures. In 2024, "Lords Mobile" partnered with the Emperor Qinshihuang's Mausoleum Site Museum in China, inviting players to experience the grandeur of the Qin Dynasty through virtual tomb exploration and in-game items featuring the Terracotta Warriors. "Time Princess" collaborated with the Mauritshuis Royal Picture Gallery in The Hague, Netherlands, and featured masterpieces such as Vermeer's "Girl with a Pearl Earring", bridging museum collections with mobile gamers through interactive game experience. "Viking Rise", which is based on Nordic history and culture, sponsored the "Viking Temple Festival" held in Catoira, Spain, and was invited by local government to participate in cultural exhibitions to promote the Viking spirit.

## CORPORATE SOCIAL RESPONSIBILITY REPORT

IGG keeps a keen interest and participates in charitable programmes worldwide. We believe that giving back to the society is not merely a duty, but also a way to share kindness and compassion. In 2024, representatives from IGG visited Shanghai Yiren Family Care Service Centre and Fujian Chenxing Centre for Patients with Critical Illnesses, bringing carefully selected gifts and daily necessities to the families of ailing children. To support education, we have provided financial aid to several disadvantaged students to complete school education for seven consecutive years. Over the years, IGG has made donations to a range of other philanthropic organisations dedicating to areas such as village school support, care for sick children, welfare for senior citizens, and protection of traditional cultures. IGG supports its employees in volunteering activities. Employees initiate a volunteering community and organise events, such as charity sales of second-hand items or local produce to raise funds for the less fortunate.



Visits for children battling illnesses

## 9 GREEN OPERATION

### 9.1 Environmental Targets

IGG gradually established its own environmental management and information collection procedures and disclosed 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

In 2024, the Board approved to adhere to the following qualitative targets, relating to areas in saving energy and water, and reducing waste and emissions. The ESG working group will monitor progress made against the targets and report to the Board periodically.

Targets	Steps taken and progress
The self-use office building in Fuzhou, Fujian Province, China meets the Chinese national "Assessment Standard for Green Building".	We are working closely with construction project management advisor and various consultants, and the applicable standards of Green Building assessment have been incorporated in respective phases of the project. Relevant evaluation and certification procedures are estimated to be completed by 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 increased the frequency of data collection and analysis, in order to promptly detect and follow up on irregular indicators. Please refer to "9.3 Energy Management" and "9.4 Waste and Water Resource Management" for detailed measures and data for the Year.

### 9.2 Climate Change Risks

We have incorporated climate change in the risk assessment procedure. When assessing climate risks, we have considered physical risks such as power interruption, closure of office facilities, fatalities and casualties from accidents caused by natural disasters such as typhoons and floods, as well as transition risks such as new regulations by respective governments responding to climate change. The overall climate change risks of IGG is assessed to be low.

Regarding extreme weather events such as typhoons and floods, we have implemented policies and conducted safety trainings to respond to the events. Please refer to "7.5 Occupational Health and Safety" of this report for details. Besides, we pay close attention in regulatory changes related to climate change to ensure compliance of the Group's operation.



# CORPORATE SOCIAL RESPONSIBILITY REPORT

## 9.3 Energy Management

During the design and construction phases for the self-use office building in China, we have taken environment protection into consideration, to ensure to meet Chinese national “Assessment Standard for Green Building”.

As a company mainly engaged in development and operation of mobile games and applications, gas emission is not a significant issue, and relevant laws and regulations do not have a significant impact on the Group. Energy consumption of IGG mainly associates with electricity for office use and gasoline used by company’s vehicles. To achieve qualitative targets to lower energy consumption and GHG emissions, the Group strengthens measures such as increase the frequency of data collection and analysis, follow up on irregular indicators, enhance promoting environmental awareness, and improve management of lighting and air conditioning facilities.

### Energy Consumption

Type of Energy	Unit	2024
Energy consumption	kWh	5,030,595
Energy use intensity	kWh per capita	2,487
Gasoline <sup>1</sup>	liter	5,155
Grid electricity consumed by office <sup>2</sup>	kWh	4,984,461

### GHG Emissions

Type of GHG Emissions	Unit <sup>3</sup>	2024
Scope I GHG emissions <sup>4</sup>	tonne, CO <sub>2</sub> equivalent	12
Scope II GHG emissions <sup>5</sup>	tonne, CO <sub>2</sub> equivalent	2,514
Total GHG emissions	tonne, CO <sub>2</sub> equivalent	2,526
GHG emissions intensity	tonne, CO <sub>2</sub> equivalent per capita	1.25

- <sup>1</sup> The scope of statistics for gasoline consumption covers vehicles owned by IGG and all entities controlled by it.
- <sup>2</sup> The scope of statistics for grid electricity consumed by office includes IGG and entities controlled by it which have independent statistic collection mechanism for electricity consumed, covering more than 99% of employees of the Group.
- <sup>3</sup> Carbon dioxide equivalent is used as a measure to compare greenhouse gas emissions. The calculations of carbon dioxide equivalent have included GHG emissions from sources, including carbon dioxide, methane and nitrous oxide etc.
- <sup>4</sup> 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.
- <sup>5</sup> 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.

## 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 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.

#### Generation of Hazardous and Non-Hazardous Waste

Type of Waste Produced	Unit	2024
Discarded modulator tube	piece	503
Discarded toner and ink cartridge	piece	117
Discarded battery	piece	1,181
Scrapped IT equipment – host and monitor	piece	383
Scrapped IT equipment – others	piece	254
Domestic waste <sup>6</sup>	liter	3,026,478
Printer paper	kg	1,158

#### Water Consumption

Type of Water Consumption	Unit	2024
Office water consumption <sup>7</sup>	tonne	18,268

<sup>6</sup> Density: 1,492 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.

<sup>7</sup> Density: 11.02 tonnes per capita. The scope of statistics for office water consumption includes IGG and entities controlled by it which have independent statistic collection mechanism for water consumed, covering about 82% of employees of the Group.

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## APPENDIX KPI INDEX OF ESG GUIDE OF THE STOCK EXCHANGE

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

Issue	ESG Reporting Guide Requirements	Report Chapter	Remarks
<b>A. Environmental</b>			
<b>A1</b> Emissions	General disclosure Key performance indicators A1.2, 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.
<b>A2</b> Use of resources	General disclosure Key performance indicators A2.1, A2.2, A2.3, A2.4	Green operation	Since major products and services provided by the Group are sold online and do not involve packaging materials, A2.5 is not included.
<b>A3</b> 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.
<b>A4</b> Climate change	General disclosure Key performance indicator A4.1	Green operation – 9.2	



## CORPORATE SOCIAL RESPONSIBILITY REPORT

Issue	ESG Reporting Guide Requirements	Report Chapter	Remarks
<b>B. Social</b>			
<b>B1</b> Employment	General disclosure Key performance indicators B1.1, B1.2	Caring for employees – 7.1	
<b>B2</b> Health and safety	General disclosure Key performance indicators B2.1, B2.2, B2.3	Caring for employees – 7.5	
<b>B3</b> Development and training	General disclosure Key performance indicators B3.1, B3.2	Caring for employees – 7.2	
<b>B4</b> 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.
<b>B5</b> Supply chain management	General disclosure Key performance indicators B5.1, B5.2, B5.3, B5.4	Supplier management	
<b>B6</b> 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 products and services provided by the Group do 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.
<b>B7</b> Anti-corruption	General disclosure Key performance indicators B7.1, B7.2, B7.3	Business ethics – 4.1	
<b>B8</b> Community investment	General disclosure Key performance indicators B8.1, B8.2	Community contribution	

## 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 2024.

### 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 2024 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 2024 is set out on pages 213 and 214 of the annual report.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 are set out in the audited consolidated statement of comprehensive income in this annual report.

On 28 August 2024, the Board resolved to declare an interim dividend of HK8.5 cents per ordinary Share for the half year ended 30 June 2024, amounting to approximately HK\$100 million. Such dividend has been paid on 27 September 2024.

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 will be paid on or about 28 April 2025.

### CLOSURE OF REGISTER OF MEMBERS

#### (a) Entitlement to the 2024 second interim dividend

The register of members of the Company will be closed from Saturday, 12 April 2025 to Wednesday, 16 April 2025, both days inclusive, during which period no transfer of Shares will be registered for the purpose of determining shareholders' entitlements to the 2024 second interim dividend. The record date for entitlement to the 2024 second interim dividend is on Wednesday, 16 April 2025. In order to qualify for the 2024 second interim 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 Friday, 11 April 2025. The payment date of the 2024 second interim dividend is expected to be on or about Monday, 28 April 2025.

## DIRECTORS' REPORT

### (b) Entitlement to attend and vote at the 2025 annual general meeting

The annual general meeting of the Company is scheduled to be held on Wednesday, 28 May 2025. The register of members of the Company will be closed from Thursday, 22 May 2025 to Wednesday, 28 May 2025, both days inclusive, during which period no transfer of Shares will be effected. 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, 21 May 2025.

### 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 2024, the Company's reserves available for distribution, calculated in accordance with the Companies Act (As Revised) of the Cayman Islands, amounted to approximately HK\$3.37 billion. The amount represents the Company's share premium and retained earnings in aggregate as at 31 December 2024, 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".

### 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' REPORT

### 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

Dr. Horn Kee Leong

Mr. Kam Wai Man

Ms. Feng Li (appointed on 29 May 2024)

Ms. Zhao Lu (resigned on 29 May 2024)

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.

Base on the above, Mr. Zongjian Cai, Ms. Jessie Shen and Mr. Feng Chen 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.

Pursuant to Rule 3.13A of the Listing Rules (to be implemented on 1 July 2025), the term for an independent non-executive director on a board will be limited to a maximum of nine years. The Board proposed to appoint a new independent non-executive Director to the Board at the forthcoming annual general meeting. For further details, please refer to the circular for the forthcoming annual general meeting of the Company to be despatched in due course. As at the date of this report, Dr. Horn Kee Leong has informed the Board his intention to resign as an independent non-executive Director upon the appointment of the new independent non-executive Director at the forthcoming annual general meeting, in order to devote more time to his family and personal commitments. The Nomination Committee and the Board are of the view that the appointment of the new independent non-executive Director and the subsequent departure of Dr. Horn Kee Leong is in line with the Board's succession planning processes which are conducted in an orderly manner and has no disruption to the operations of the Board.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out on pages 18 to 21 of this annual report.

## DIRECTORS' REPORT

### DISCLOSURE OF INTEREST AS PER REGISTERS KEPT PURSUANT TO THE SFO

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

As at 31 December 2024, 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	287,096,639	24.45%
	Mr. Yuan Xu (Notes 1, 2)	Beneficial owner, interests held jointly with another person	287,096,639	24.45%
	Mr. Hong Zhang (Notes 1, 2)	Beneficial owner, interests held jointly with another person	287,096,639	24.45%
	Ms. Jessie Shen (Note 3)	Beneficial owner	6,805,303	0.58%
	Mr. Feng Chen (Note 4)	Beneficial owner	15,177,165	1.29%
	Mr. Yuan Chi (Note 5)	Beneficial owner, interest in a controlled corporation	154,125,000	13.12%
	Dr. Horn Kee Leong (Note 6)	Beneficial owner	240,000	0.02%

## DIRECTORS' REPORT

Interests in	Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
	Mr. Kam Wai Man (Note 7)	Beneficial owner	108,500	0.01%
	Ms. Li Feng (Appointed on 29 May 2024) (Note 8)	Beneficial owner	19,500	0.00*
2. Associated corporation: UGen World Inc.	Mr. Yuan Xu (Note 9)	Beneficial owner	192,489	2.34%
	Mr. Hong Zhang (Note 10)	Beneficial owner	115,493	1.40%

\* 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 and 26 April 2024, 7,688,862, 7,688,861 and 7,688,861 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full vest of such Performance-based Awarded Shares, Mr. Zongjian Cai will be beneficially interested in 15,377,722 Shares.



## DIRECTORS' REPORT

Mr. Yuan Xu was the beneficial owner of 25,021,917 Shares. On 23 March 2015, he was also granted 613,000 share options under the Share Option Scheme. 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 and 26 April 2024, each of 1,432,707 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full exercise and vest of such share options and Performance-based Awarded Shares, Mr. Yuan Xu will be beneficially interested in 3,478,414 Shares.

Mr. Hong Zhang was the beneficial owner of 11,659,835 Shares. On 23 March 2015, Mr. Hong Zhang was also granted 605,000 share options under the Share Option Scheme. 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 and 26 April 2024, 1,289,437, 1,289,436 and 1,289,436 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full exercise and vest of such share options and Performance-based Awarded Shares, Mr. Hong Zhang will be beneficially interested in 3,183,872 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.

Mr. Zhixiang Chen was the beneficial owner of 16,000,000 Shares.

- (3) Ms. Jessie Shen was the beneficial owner of 4,563,000 Shares. On 23 March 2015, 141,000 share options were granted to Ms. Jessie Shen under the Share Option Scheme. 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 and 26 April 2024, each of 1,050,652 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full exercise and vest of such share options and Performance-based Awarded Shares, Ms. Jessie Shen will be beneficially interested in 2,242,303 Shares.
- (4) Mr. Feng Chen was the beneficial owner of 13,731,000 Shares. On 23 March 2015, 300,000 share options were granted to Mr. Feng Chen under the Share Option Scheme. 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 and 26 April 2024, each of 573,083 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full exercise and vest of such share options and Performance-based Awarded Shares, Mr. Feng Chen will be beneficially interested in 1,446,165 Shares.
- (5) Mr. Yuan Chi was the beneficial owner of 629,500 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 29 May 2024, 123,000 awarded Shares were granted to Mr. Yuan Chi under the Share Award Scheme, among which 61,500 awarded Shares were vested on the same day and the remaining 61,500 awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2025. Upon the full vest of such awarded Shares, Mr. Yuan Chi will be beneficially interested in 61,500 Shares.

## DIRECTORS' REPORT

- (6) Dr. Horn Kee Leong was the beneficial owner of 186,000 Shares. On 29 May 2024, 108,000 awarded Shares were granted to Dr. Horn Kee Leong under the Share Award Scheme, among which 54,000 awarded Shares were vested on the same day and the remaining 54,000 awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2025. Upon the full vest of such awarded Shares, Dr. Horn Kee Leong will be beneficially interested in 54,000 Shares.
- (7) Mr. Kam Wai Man was the beneficial owner of 79,250 Shares. On 29 May 2024, 58,500 awarded Shares were granted to Mr. Kam Wai Man under the Share Award Scheme, among which 29,250 awarded Shares were vested on the same day and the remaining 29,250 awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2025. Upon the full vest of such awarded Shares, Mr. Kam Wai Man will be beneficially interested in 29,250 Shares.
- (8) On 29 May 2024, 19,500 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 2025. Upon the full vest of such awarded Shares, Ms. Feng Li will be beneficially interested in 19,500 Shares.
- (9) The 192,489 most senior class of shares of UGen World Inc. has lapsed on 30 January 2025. As at the date of this report, 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.
- (10) The 115,493 most senior class of shares of UGen World Inc. has lapsed on 30 January 2025. As at the date of this report, 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.

Save as disclosed above, as of 31 December 2024, 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 2024, 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	287,096,639	24.45%
Mr. Zongjian Cai (Notes 1, 2)	Beneficial owner, interest in a controlled corporation, spouse interest, interests held jointly with another person	287,096,639	24.45%
Mr. Yuan Xu (Notes 1, 2)	Beneficial owner, interests held jointly with another person	287,096,639	24.45%
Mr. Hong Zhang (Notes 1, 2)	Beneficial owner, interests held jointly with another person	287,096,639	24.45%
Ms. Kai Chen (Notes 1, 2)	Beneficial owner, spouse interest, interests held jointly with another person	287,096,639	24.45%
Mr. Zhixiang Chen (Notes 1, 2)	Beneficial owner, interests held jointly with another person	287,096,639	24.45%
Edmond Online (Note 3)	Beneficial owner	153,434,000	13.07%
Mr. Yuan Chi (Note 3)	Beneficial owner, interest in a controlled corporation	154,125,000	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 and 26 April 2024, 7,688,862, 7,688,861 and 7,688,861 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full vest of such Performance-based Awarded Shares, Mr. Zongjian Cai will be beneficially interested in 15,377,722 Shares.

Mr. Yuan Xu was the beneficial owner of 25,021,917 Shares. On 23 March 2015, he was also granted 613,000 share options under the Share Option Scheme. 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 and 26 April 2024, each of 1,432,707 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full exercise and vest of such share options and Performance-based Awarded Shares, Mr. Yuan Xu will be beneficially interested in 3,478,414 Shares.

Mr. Hong Zhang was the beneficial owner of 11,659,835 Shares. On 23 March 2015, Mr. Hong Zhang was also granted 605,000 share options under the Share Option Scheme. 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 and 26 April 2024, 1,289,437, 1,289,436 and 1,289,436 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Upon the full exercise and vest of such share options and Performance-based Awarded Shares, Mr. Hong Zhang will be beneficially interested in 3,183,872 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.

Mr. Zhixiang Chen was the beneficial owner of 16,000,000 Shares.

- (3) Mr. Yuan Chi was the beneficial owner of 629,500 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 29 May 2024, 123,000 awarded Shares were granted to Mr. Yuan Chi under the Share Award Scheme, among which 61,500 awarded Shares were vested on the same day and the remaining 61,500 awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2025. Upon the full vest of such awarded Shares, Mr. Yuan Chi will be beneficially interested in 61,500 Shares.

Save as disclosed above, as at 31 December 2024, 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 executives' 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.

## DIRECTORS' REPORT

### 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.

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.

## DIRECTORS' REPORT

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 602,000, representing approximately 0.05% of the issued Shares (excluding Treasury Shares).

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 2023	Number of share options				Outstanding as at 31 December 2024
				Granted during the Year	Exercised during the Year <sup>(Note)</sup>	Lapsed/ forfeited during the Year	Cancelled during the Year	
<b>Directors</b>								
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	21 November 2014	HK\$3.51	367,000	–	–	367,000	–	–
	23 March 2015	HK\$3.90	141,000	–	–	–	–	141,000
Mr. Feng Chen	23 March 2015	HK\$3.90	300,000	–	–	–	–	300,000
Ms. Zhao Lu	23 March 2015	HK\$3.90	150,000	–	–	–	–	150,000
(Resigned on 29 May 2024)								
<b>Ex-Director</b>								
Mr. Dajian Yu	23 March 2015	HK\$3.90	150,000	–	–	–	–	150,000
<b>Director's associate</b>								
Ms. Meijia Chen	23 March 2015	HK\$3.90	553,000	–	–	–	–	553,000
(cousin of Mr. Yuan Xu)								
<b>Employees</b> (Total no.: 15)	21 November 2014	HK\$3.51	75,000	–	75,000	–	–	–
	23 March 2015	HK\$3.90	999,000	–	–	–	–	999,000
	19 August 2019	HK\$5.75	370,000	–	–	80,000	–	290,000
	6 May 2020	HK\$4.91	312,000	–	–	–	–	312,000
<b>Total</b>			<b>4,635,000</b>	<b>–</b>	<b>75,000</b>	<b>447,000</b>	<b>–</b>	<b>4,113,000</b>

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 2024 was HK\$3.98 (for the year ended 31 December 2023: HK\$6.42).



## DIRECTORS' REPORT

### *Particulars of Share Options Granted*

#### **21 November 2014**

Share options granted on 21 November 2014 were vested in eligible grantees from 21 November 2015 to 21 November 2018. 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 dates and ending 10 years after the date of grant.

#### **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. 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 2024, the remaining life of the Share Award Scheme is approximately 8 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 2024 were as follows:

Category of grantees	Date of grant	Number of awarded shares					Outstanding as at 31 December 2024
		Outstanding as at 31 December 2023	Granted during the Year (Notes 3, 4)	Vested during the Year (Note 2)	Lapsed/ forfeited during the Year (Note 1)	Cancelled during the Year	
<b>Directors</b>							
Mr. Yuan Chi	29 May 2024	–	123,000	61,500	–	–	61,500
Dr. Horn Kee Leong	29 May 2024	–	108,000	54,000	–	–	54,000
Mr. Kam Wai Man	29 May 2024	–	58,500	29,250	–	–	29,250
Ms. Feng Li (Appointed on 29 May 2024)	29 May 2024	–	19,500	–	–	–	19,500
Ms. Zhao Lu (Resigned on 29 May 2024)	29 May 2024	–	29,250	29,250	–	–	–
<b>Employees and other connected persons</b> (Total no.: 301) (Note 5)							
	6 May 2020	295,353	–	285,353	10,000	–	–
	20 August 2020	100,000	–	100,000	–	–	–
	6 November 2020	202,181	–	152,181	50,000	–	–
	11 March 2021	382,964	–	191,477	–	–	191,487
	6 May 2021	41,493	–	16,996	7,500	–	16,997
	19 August 2021	80,000	–	40,000	–	–	40,000
	5 November 2021	142,500	–	67,500	7,500	–	67,500
	11 April 2022	2,185,993	–	931,131	23,492	–	1,231,370
	30 November 2022	40,000	–	40,000	–	–	–
	7 April 2023	443,354	–	137,086	–	–	306,268
	24 May 2023	10,000	–	5,000	5,000	–	–
	6 September 2023	4,353,456	–	2,146,728	10,000	–	2,196,728
	29 November 2023	442,873	–	221,435	–	–	221,438
	10 April 2024	–	965,600	–	42,000	–	923,600
	11 September 2024	–	411,812	–	–	–	411,812
	22 December 2024	–	782,839	–	–	–	782,839
<b>Consultant</b> (Total no.: 1)	6 May 2020	2,000	–	2,000	–	–	–
<b>Total</b>		<b>8,722,167</b>	<b>2,498,501</b>	<b>4,510,887</b>	<b>155,492</b>	<b>–</b>	<b>6,554,289</b>



## 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\$3.44 (for the year ended 31 December 2023: HK\$3.83) 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 2024 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 2024, there were no awarded shares granted under the Share Award Scheme to the five highest paid individuals.
  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

### 6 May 2020

On 6 May 2020, the Board granted a total of 1,881,000 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. Such awarded shares were vested in eligible grantees from 6 May 2021 to 6 May 2024. During the vesting period, 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

### 20 August 2020

On 20 August 2020, the Board granted a total of 1,288,333 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 (including all independent non-executive Directors, and certain directors of certain wholly-owned subsidiaries of the Company) pursuant to the Share Award Scheme at nil consideration. 100% of the total number of the awarded shares granted to independent non-executive Directors were vested on the date of the annual general meeting in 2021. 100% of the total number of the awarded shares granted to certain directors of certain wholly-owned subsidiaries of the Company and certain eligible grantees were vested on 20 August 2021. Certain number of awarded shares were vested in certain eligible grantees from 20 August 2021 to 20 August 2022, 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 20 August 2021 to 20 August 2024, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

### 6 November 2020

On 6 November 2020, the Board granted a total of 963,730 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 6 November 2021 to 6 November 2024, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

### 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 are 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 would be vested on each anniversary date of grant.

## DIRECTORS' REPORT

### 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 (including 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 would be vested in certain eligible grantees from 6 May 2022 to 6 May 2025, during which 25% of the total number of awarded shares granted would be 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 (including connected persons) pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were vested in certain eligible grantees (including Ms. Kai Chen, Ms. Mejia Chen, Ms. Zhiying Chen and other connected persons) 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 would be vested in certain eligible grantees from 19 August 2022 to 19 August 2025, during which 25% of the total number of awarded shares granted would be vested on each anniversary date of grant.

### 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 would be vested in certain eligible grantees from 5 November 2022 to 5 November 2025, during which 25% of the total number of awarded shares granted would be vested on each anniversary date of grant.



## DIRECTORS' REPORT

### 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 connected persons and 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 (including Mr. Shuo Wang, Mr. Chengfeng Luo, Mr. Xiandong Liu and Mr. Richard Chua Choon Kiat) 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.

### 30 November 2022

On 30 November 2022, the Board granted a total of 110,000 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 employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares were vested in the eligible grantees from 30 November 2023 to 30 November 2024. During the vesting period, 50% of the total number of the 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 would be 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 would be vested on each anniversary date of grant.

### 24 May 2023

On 24 May 2023, the Board granted a total of 10,000 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 employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares would be vested in the eligible grantees from 24 May 2024 to 24 May 2025. 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

### 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 would be 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 would be vested on each anniversary date of grant.

### 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 would be 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 would be vested on each anniversary date of grant.

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

### 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 a connected person and also an employee of the Group (namely Mr. Deyang Zheng, a substantial Shareholder of our Subsidiaries), and certain other 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 April 2024 was HK\$3.28 and the fair value of the awarded shares on the date of grant was HK\$3.27 per share, amounting to approximately HK\$3.16 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 10 April 2025 and 10 April 2026, respectively. For more details, please refer to the announcement of the Company dated 10 April 2024.

## DIRECTORS' REPORT

### 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 (appointed on 29 May 2024) and Ms. Zhao Lu (resigned on 29 May 2024) pursuant to the Share Award Scheme at nil consideration. The closing price immediately before the date on which the awarded shares were granted on 29 May 2024 was HK\$3.08 and the fair value of the awarded shares on the date of grant was HK\$3.05 per share, amounting to approximately HK\$1.03 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 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. The closing price immediately before the date on which the awarded shares were granted on 11 September 2024 was HK\$3.59 and the fair value of the awarded shares on the date of grant was HK\$3.55 per share, amounting to approximately HK\$1.46 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 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 will 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. The closing price immediately before the date on which the awarded shares were granted on 22 December 2024 was HK\$3.87 and the fair value of the awarded shares on the date of grant was HK\$3.87 per share, amounting to approximately HK\$3.03 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 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 will be vested on each anniversary date of grant.

Save as disclosed above, during the year ended 31 December 2024, no awarded shares were granted, vested, lapsed or cancelled under the Share Award Scheme.

During the Year, the Trustee, pursuant to the terms of the trust deed constituting the Share Award Scheme, purchased on the market a total of 1,664,000 Shares at an average price per share of HK\$3.2655 with a total consideration of HK\$5,433,790.59.

### 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 2024, the remaining life of the Performance-based Share Award Scheme is approximately 1 year and 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 2023	Vested during the Year	Lapsed/ forfeited during the Year	Outstanding as at 31 December 2024
<b>Directors</b>					
Mr. Zongjian Cai	38,444,306	23,066,583	–	7,688,861	15,377,722
Mr. Yuan Xu	7,163,535	4,298,121	–	1,432,707	2,865,414
Mr. Hong Zhang	6,447,181	3,868,308	–	1,289,436	2,578,872
Ms. Jessie Shen	5,253,259	3,151,955	–	1,050,652	2,101,303
Mr. Feng Chen	2,865,414	1,719,248	–	573,083	1,146,165
<b>Other connected persons of the Company</b>					
Ms. Meijia Chen (director of subsidiaries of the Company and senior vice president of the Group)	7,163,536	4,298,121	–	1,432,707	2,865,414
Mr. Hanling Fang (director of subsidiaries of the Company and vice president of the Group)	716,354	429,813	–	143,271	286,542
Mr. Shuo Wang (director of subsidiaries of the Company and vice president of the Group)	716,354	429,812	–	143,271	286,541
Mr. Chengfeng Luo (director of subsidiaries of the Company and senior director of research and development)	716,354	429,812	–	143,271	286,541
<b>Employees (Total No.: 3)</b>	2,149,062	1,289,436	–	429,813	859,623
<b>Total</b>	<b>71,635,355</b>	<b>42,981,209</b>	<b>–</b>	<b>14,327,072</b>	<b>28,654,137</b>



## 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 ending 31 December 2025	20%

On 27 April 2022, 27 April 2023 and 26 April 2024, 14,327,074, 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 28,654,137, which represents approximately 2.45% 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. On 26 March 2025, the Board resolved to amend the rules of the Share Incentive Scheme 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 ("**Amendments**"). Save for the Amendments and other minor tidying up and housekeeping amendments, all other rules of the Share Incentive Scheme remain unchanged. Such Amendments to the Share Incentive Scheme are not of a material nature and are therefore not subject to Shareholders' approval under Rule 17.03(18) of the Listing Rules.

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 10.22% 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 2024, the remaining life of the Share Incentive Scheme is approximately 8 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 2024 and 31 December 2024 is set out below:

	As at 31 December 2024	As at 1 January 2024
Number of awards available for grant under the Performance-based Share Award Scheme	–	–
Number of awards available for grant under the Share Incentive Scheme	119,800,659 <sup>1</sup>	119,800,659
<b>Total number of options and awards available for grant</b>	<b>119,800,659</b>	<b>119,800,659</b>

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 2024 and 31 December 2024 is set out below:

	As at 31 December 2024	As at 1 January 2024
Number of awards available for grant under the Share Award Scheme	82,489,380 <sup>2</sup>	84,832,389

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 2,498,501 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 2024 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 2024 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 2024 or at any time during the year ended 31 December 2024.

### 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 2024.

### 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 2024, 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.

### 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 2024 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\$	
January 2024	3,806,000	3.49	3.13	12,644,750
April 2024	1,152,000	3.30	3.21	3,759,670
May 2024	4,937,000	3.48	3.08	16,458,310
September 2024	819,000	3.49	3.42	2,828,520
December 2024	2,888,000	3.96	3.59	10,924,120
<b>Total</b>	<b>13,602,000</b>			<b>46,615,370</b>

## DIRECTORS' REPORT

As at 31 December 2024, 9,895,000 Shares bought back were cancelled and 3,707,000 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. The 3,707,000 Treasury Shares will not be entitled to receive the second interim 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).

### 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 to review and to supervise the financial reporting process and risk management and internal control systems of the Group. The Audit Committee comprises all independent non-executive Directors, namely, Dr. Horn Kee Leong (chairman of the Audit Committee), Mr. Kam Wai Man, Ms. Feng Li (appointed on 29 May 2024) and Ms. Zhao Lu (resigned on 29 May 2024).

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024 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) **Xinhan Liaokuo Equity Pledge Agreement:** on 30 October 2020, Hainan Tianzhi and the Xinhan Liaokuo Registered Holders entered into the equity pledge agreement (the “Xinhan Liaokuo Equity Pledge Agreement”), pursuant to which the Xinhan Liaokuo Registered Holders granted Hainan Tianzhi a continuing first priority security interest over their respective equity interest in Xinhan Liaokuo, representing all of the equity interest in Xinhan Liaokuo’s registered capital, for the purpose of securing the performance of contractual obligations by Xinhan Liaokuo under the Xinhan Liaokuo Structured Contracts. In addition, the Xinhan Liaokuo Registered Holders agreed to allocate, use or deal with the dividends and other non-cash distributions paid for the equity interest in Xinhan 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 Xinhan 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 Xinhan Liaokuo.
- (v) **Xinhan Liaokuo Exclusive Technical Consulting Service Agreement:** on 30 October 2020, Xinhan Liaokuo, Hainan Tianzhi and the Xinhan Liaokuo Registered Holders entered into the exclusive technical consulting service agreement (the “Xinhan Liaokuo Exclusive Technical Consulting Service Agreement”), pursuant to which Xinhan Liaokuo agreed to pay a fee to Hainan Tianzhi in return for Hainan Tianzhi providing exclusive technical consulting services as required by Xinhan Liaokuo to support its operations. According to the Xinhan Liaokuo Exclusive Technical Consulting Service Agreement, unless otherwise agreed by both parties, Hainan Tianzhi would provide technical support and consultation services to Xinhan Liaokuo, as the consideration, and the technical services fees will be paid on a quarterly basis and equal to Xinhan Liaokuo’s total revenue deducting all related expenses, costs and taxes payable by Xinhan Liaokuo.
- (vi) **Xinhan Liaokuo Online Game Licensing Agreement:** on 30 October 2020, Hainan Tianzhi and Xinhan Liaokuo entered into the online game licensing agreement (the “Xinhan Liaokuo Online Game Licensing Agreement”), pursuant to which Hainan Tianzhi agreed to grant to Xinhan Liaokuo usage rights on various online game software for operation in the PRC. As the consideration, Xinhan 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 2024:

### Number of games operated:

	As at 31 December 2024	
	Developed in-house	Licensed
Fuzhou Tianmeng	2	1
Xinhan Liaokuo	—	—

### Game revenue\*:

	For the year ended 31 December 2024	
	Revenue attributable to the relevant entity HK\$' 000	Percentage of the total revenue of the Group %
Fuzhou Tianmeng	175,492	3.06
Xinhan Liaokuo	—	—

\* Game revenue is from external customers.

### Assets:

	As at 31 December 2024	
	Assets attributable to the relevant entity HK\$' 000	Percentage of the total assets of the Group %
Fuzhou Tianmeng	318,736	7.21
Xinhan Liaokuo	36	0.00*

\* This percentage represents a percentage less than 0.01.

## 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 2024.
- 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 3.06% and 7.21% 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 2024:

- (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 2024.

### 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 2024 accounted for 18.1% of the Group’s total revenue.

The Group’s suppliers primarily include advertising service providers, payment service providers, licensors of games, and server, data center 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 2024 accounted for 25.9% and 52.3% of the Group’s total purchases respectively.

So far as is known to the Directors, at no time during the year ended 31 December 2024 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 2024.

### 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 2024 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 2024 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. The Group has awarded a construction contract to a contractor, The First Company of China Eighth Engineering Division Ltd.\* (中建八局第一建设有限公司), in respect of the construction of office building(s) on the Land, details of which are set out in the section headed "Management Discussion and Analysis – Capital Expenditures" and the announcements of the Company dated 15 September 2020 and 18 January 2022.

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".

*\* For identification purpose only*



## DIRECTORS' REPORT

### IMPORTANT EVENTS SINCE THE YEAR END

No important events occurred for the Group since 31 December 2024.

### 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 2024 and up to the date hereof.

### AUDITOR

The consolidated financial statements for the financial year ended 31 December 2024 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, 26 March 2025

## 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 123 to 212, which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the 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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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	
Refer to notes 3, 4 and 28 to the consolidated financial statements and the accounting policies in note 2(s)(i)(a).	
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"> <li>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 risk management specialists involved to assess the relevant general and automated information technology controls;</li> <li>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;</li> </ul>



## 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"> <li>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;</li> <li>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</li> <li>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.</li> </ul>

## 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.

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 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



## 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.

#### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

26 March 2025

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

	Note	2024 HK\$' 000	2023 HK\$' 000
<b>Revenue</b>	4	<b>5,737,114</b>	5,265,911
Cost of revenue		<u>(1,126,244)</u>	<u>(1,346,854)</u>
<b>Gross profit</b>		<b>4,610,870</b>	3,919,057
Other net gains	5	<b>6,394</b>	90,369
Selling and distribution expenses		<b>(2,811,049)</b>	(2,665,908)
Administrative expenses		<b>(348,735)</b>	(317,177)
Research and development expenses		<u><b>(787,408)</b></u>	<u>(934,852)</u>
<b>Profit from operations</b>		<b>670,072</b>	91,489
Finance costs	6(b)	<b>(3,635)</b>	(3,844)
Share of results of associates and joint ventures		<u><b>13,126</b></u>	<u>9,388</u>
<b>Profit before taxation</b>	6	<b>679,563</b>	97,033
Income tax expenses	7(a)	<u><b>(96,983)</b></u>	<u>(23,980)</u>
<b>Profit for the year</b>		<u><b>582,580</b></u>	<u>73,053</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>580,676</b>	73,053
Non-controlling interests		<u><b>1,904</b></u>	<u>—</u>
<b>Profit for the year</b>		<u><b>582,580</b></u>	<u>73,053</u>
<b>Earnings per share</b> (in HK\$ per share)	10		
Basic		<u><b>0.5061</b></u>	<u>0.0625</u>
Diluted		<u><b>0.5026</b></u>	<u>0.0620</u>

The notes on pages 131 to 212 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 2024

	2024 HK\$'000	2023 HK\$'000
<b>Profit for the year</b>	<b>582,580</b>	<b>73,053</b>
<b>Other comprehensive income for the year, after tax</b>		
<i>Item that is or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(115,100)	(24,527)
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	43,593	8,791
<b>Other comprehensive income for the year</b>	<b>(71,507)</b>	<b>(15,736)</b>
<b>Total comprehensive income for the year</b>	<b>511,073</b>	<b>57,317</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	509,169	57,317
Non-controlling interests	1,904	–
<b>Total comprehensive income for the year</b>	<b>511,073</b>	<b>57,317</b>

The notes on pages 131 to 212 form part of these financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	Note	31 December 2024 HK\$' 000	31 December 2023 HK\$' 000
<b>Non-current assets</b>			
Property, plant and equipment	12	775,917	661,897
Investment properties	12	24,557	26,106
Intangible assets	13	3,578	3,134
Land use rights	14	203,645	213,809
Other non-current assets	15	32,820	49,575
Interests in associates and joint ventures	17	92,930	185,134
Financial assets at fair value through profit or loss	18	395,278	471,038
Deferred tax assets	27(b)	17,555	40,593
<b>Total non-current assets</b>		<b>1,546,280</b>	<b>1,651,286</b>
<b>Current assets</b>			
Inventories		409	433
Trade and other receivables	19	183,652	119,237
Funds receivable	20	280,916	356,750
Prepayments		49,186	36,621
Financial assets at fair value through profit or loss	18	15,968	19,017
Restricted deposits	21	16,306	44,341
Fixed deposits held at bank with maturity over 3 months when acquired		4,814	—
Cash and cash equivalents	22	2,245,666	1,469,752
Assets held for sale	11	75,459	—
<b>Total current assets</b>		<b>2,872,376</b>	<b>2,046,151</b>
<b>Current liabilities</b>			
Trade and other payables	23	788,805	570,691
Other financial liabilities		1,638	234
Lease liabilities	24	51,989	35,263
Tax payable	27(a)	196,675	117,809
Deferred revenue	28	220,456	207,145
<b>Total current liabilities</b>		<b>1,259,563</b>	<b>931,142</b>
<b>Net current assets</b>		<b>1,612,813</b>	<b>1,115,009</b>
<b>Total assets less current liabilities</b>		<b>3,159,093</b>	<b>2,766,295</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	Note	31 December 2024 HK\$'000	31 December 2023 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	24	31,923	27,957
Deferred tax liabilities	27(b)	2,759	3,575
<b>Total non-current liabilities</b>		<u>34,682</u>	<u>31,532</u>
<b>NET ASSETS</b>		<u>3,124,411</u>	<u>2,734,763</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	29(c)	23	23
Reserves		<u>3,121,046</u>	<u>2,734,740</u>
<b>Total equity attributable to equity shareholders of the Company</b>		3,121,069	2,734,763
<b>Non-controlling interests</b>		<u>3,342</u>	<u>—</u>
<b>TOTAL EQUITY</b>		<u>3,124,411</u>	<u>2,734,763</u>

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

**Zongjian Cai**  
Director

**Jessie Shen**  
Director

The notes on pages 131 to 212 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Attributable to equity shareholders of the Company										
Note	Share capital (note 29(c)) HK\$'000	Share premium (note 29(d)(i)) HK\$'000	Share-based payment reserve (note 29(d)(ii)) HK\$'000	Shares held for share award scheme HK\$'000	Share repurchased for cancellation HK\$'000	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 equity HK\$'000
<b>Balance at 1 January 2023</b>	23	6,571	146,228	(232,751)	–	1,599	56,095	(148,418)	2,882,520	2,711,867
<b>Changes in equity for the year ended 31 December 2023:</b>										
Profit for the year	–	–	–	–	–	–	–	–	73,053	73,053
Other comprehensive income	–	–	–	–	–	–	–	(15,736)	–	(15,736)
<b>Total comprehensive income</b>	–	–	–	–	–	–	–	(15,736)	73,053	57,317
Equity-settled share-based payment	–	–	41,934	–	–	–	–	–	–	41,934
Shares purchased for the share award scheme	29(c)	–	–	(32,286)	–	–	–	–	–	(32,286)
Repurchase of ordinary shares	29(c)	–	–	–	(44,560)	–	–	–	–	(44,560)
Cancellation of ordinary shares	29(c)	–*	(9,634)	–	36,629	–	–	–	(26,995)	–
Exercise of share options	29(c)	–*	836	(345)	–	–	–	–	–	491
Vesting of awarded shares	29(c)	–	2,227	(68,561)	66,334	–	–	–	–	–
Appropriation to statutory reserves	–	–	–	–	–	7,069	–	–	(7,069)	–
<b>Balance at 31 December 2023</b>	23	–	119,256	(198,703)	(7,931)	8,668	56,095	(164,154)	2,921,509	2,734,763

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Attributable to equity shareholders of the Company													
Note	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 award scheme HK\$' 000	Share repurchased for cancellation HK\$' 000	Share repurchased for held as treasury shares HK\$' 000	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 HK\$' 000	Non-controlling interests HK\$' 000	Total equity 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

The notes on pages 131 to 212 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2024

	Note	2024 HK\$' 000	2023 HK\$' 000
<b>Operating activities</b>			
Cash generated from operations	22(b)	1,031,826	111,485
Income tax refund		35,772	—
Income tax paid		(10,072)	(17,535)
Interest received		63,331	34,627
<b>Net cash generated from operating activities</b>		<b>1,120,857</b>	<b>128,577</b>
<b>Investing activities</b>			
Payments for the purchases of property, plant and equipment and intangible assets		(133,875)	(133,926)
Dividends received		23,590	10,201
Proceeds from disposal of property, plant and equipment and intangible assets		52	153
Payment for purchases of financial assets and liabilities at fair value through profit or loss		(53,258)	(29,903)
Proceeds from disposal of financial assets and liabilities at fair value through profit or loss		45,385	52,157
(Placement)/drawdown of fixed deposits held at bank with original maturity over 3 months when acquired		(4,814)	5,089
<b>Net cash used in investing activities</b>		<b>(122,920)</b>	<b>(96,229)</b>

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2024

	Note	2024 HK\$' 000	2023 HK\$' 000
<b>Financing activities</b>			
Capital element of lease rentals paid	22(c)	(55,618)	(63,472)
Interest element of lease rentals paid	22(c)	(3,635)	(3,844)
Dividends paid		(97,410)	–
Payments for repurchase of shares		(46,616)	(44,560)
Payments for purchase of shares for share award scheme		(5,435)	(32,286)
Proceeds from grant of restricted shares		3,123	–
Proceeds from exercise of share options	29	263	491
<b>Net cash used in financing activities</b>		<u>(205,328)</u>	<u>(143,671)</u>
<b>Net change in cash and cash equivalents</b>		<b>792,609</b>	<b>(111,323)</b>
<b>Cash and cash equivalents at 1 January</b>	22(a)	<b>1,469,752</b>	<b>1,581,832</b>
<b>Effect of foreign exchange rate changes</b>		<u>(16,695)</u>	<u>(757)</u>
<b>Cash and cash equivalents at 31 December</b>	22(a)	<u><b>2,245,666</b></u>	<u><b>1,469,752</b></u>

The notes on pages 131 to 212 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 Law, Cap. 22 (Law 3 of 1961, as consolidated and 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 amendments to 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 2024 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 the following amendments to IFRS Accounting Standards issued by IASB to these financial statements for the current accounting period:

- Amendments to International Accounting Standards (“IAS”) 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants*
- Amendments to International Financial Reporting Standards (“IFRS”) 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The amended IFRS Accounting Standards do not have a material impact on the Group’s financial statements.

### (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 years
Right-of-use assets: office premises	2 – 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 – 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 2024, 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 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing game players contracts is HK\$220,456,000 (2023: HK\$207,145,000), and the Group will recognise this revenue in 2025.

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:

	2024 HK\$' 000	2023 HK\$' 000
<b>Revenue from mobile games</b>		
– “Lords Mobile”	2,588,892	3,107,515
– “Doomsday: Last Survivors”	1,020,890	678,575
– “Viking Rise”	679,725	408,551
– Others	359,248	491,627
	<u>4,648,755</u>	<u>4,686,268</u>
<b>Revenue from APP Business</b>	<u>1,088,359</u>	<u>579,643</u>
	<u>5,737,114</u>	<u>5,265,911</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

	2024		2023	
	HK\$' 000	% of total revenues	HK\$' 000	% of total revenues
Asia	2,386,683	42%	2,289,443	44%
Europe	1,979,581	34%	1,489,825	28%
North America	1,128,529	20%	1,216,658	23%
Others	242,321	4%	269,985	5%
	<u>5,737,114</u>	<u>100%</u>	<u>5,265,911</u>	<u>100%</u>

#### (b) Specified non-current assets

	2024		2023	
	HK\$' 000	% of specified non-current assets	HK\$' 000	% of specified non-current assets
Asia	955,215	84%	938,319	82%
Europe	142,124	12%	154,857	14%
North America	28,940	3%	39,725	3%
Others	7,168	1%	6,754	1%
	<u>1,133,447</u>	<u>100%</u>	<u>1,139,655</u>	<u>100%</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5 OTHER NET GAINS

	2024 HK\$' 000	2023 HK\$' 000
Net fair value (losses)/gains on investments	(83,342)	74,374
Gain on disposal of financial assets at fair value through profit or loss	160	6,097
Dividend income	23,590	8,877
Impairment loss on interests in associates and joint ventures (Note 17)	(26,511)	(43,279)
Interest income	63,331	34,627
Exchange gain	15,022	10,090
Government grants*	15,672	14,354
Rental income from investment properties	1,666	690
Others	(3,194)	(15,461)
	<u>6,394</u>	<u>90,369</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):

	2024 HK\$' 000	2023 HK\$' 000
<b>(a) Staff costs</b>		
Salaries, wages and other benefits	868,385	935,832
Equity-settled share-based payment expenses (note 22(b))	26,335	41,934
Contributions to defined contribution retirement plan	40,356	48,716
	<u>935,076</u>	<u>1,026,482</u>
	2024 HK\$' 000	2023 HK\$' 000
<b>(b) Finance costs</b>		
Interest on lease liabilities (note 22(c))	<u>3,635</u>	<u>3,844</u>
	2024 HK\$' 000	2023 HK\$' 000
<b>(c) Other items</b>		
Promotion and advertising expenses	2,754,598	2,600,908
Channel cost	950,715	1,148,840
Net fair value losses/(gains) on investments (note 5)	83,342	(74,374)
Amortisation		
– intangible assets (note 13)	1,407	5,784
– land use rights (note 14)	5,687	5,756
Depreciation charge (note 12)		
– owned property, plant and equipment	38,170	52,719
– right-of-use assets	54,704	62,098
– investment properties	1,008	731
Impairment loss on interests in associates and joint ventures (note 5)	26,511	43,279
Provision of impairment loss for trade and other receivables and funds receivable (note 30(a))	4,025	16,715
Net foreign exchange gain (note 5)	(15,022)	(10,090)
Auditors' remuneration		
– audit services	2,382	2,478
– non-audit services	1,704	1,834
Losses on disposal of property, plant and equipment	147	666

## 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:

	2024 HK\$'000	2023 HK\$'000
<b>Current tax</b>		
Provision for corporate income tax for the year	89,645	9,925
Provision for withholding tax for the year	21,045	23,300
Over-provision in respect of prior years	(35,304)	(5,774)
	<u>75,386</u>	<u>27,451</u>
<b>Deferred tax (note 27(b))</b>		
Origination and reversal of temporary differences	21,597	(3,471)
	<u>96,983</u>	<u>23,980</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:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	<u>679,563</u>	<u>97,033</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	166,864	42,447
Tax effect of non-deductible expenses	181,440	112,529
Tax effect of non-taxable income	(181,740)	(109,958)
Tax effect of unused tax losses	3,889	7,637
Utilisation of previously unrecognised tax losses and temporary differences	(25,235)	(14,969)
Statutory tax concession	(12,931)	(5,169)
Over-provision in prior years	(35,304)	(5,774)
Super deduction for qualified research and development costs	—	(2,763)
Actual tax expenses	<u>96,983</u>	<u>23,980</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and 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 (2023: 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% (2023: 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)	2024 Total
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
<b>Executive directors</b>							
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
<b>Non-executive director</b>							
Mr. Yuan Chi	745	–	–	–	745	299	1,044
<b>Independent non-executive directors</b>							
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>

## 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)	2023 Total
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
<b>Executive directors</b>							
Mr. Zongjian Cai*	746	6,393	1,500	18	8,657	10,522	19,179
Mr. Yuan Xu	746	4,469	909	78	6,202	2,524	8,726
Mr. Hong Zhang	746	4,073	772	78	5,669	2,235	7,904
Ms. Jessie Shen	746	3,797	273	–	4,816	2,004	6,820
Mr. Feng Chen	746	1,620	196	–	2,562	1,214	3,776
<b>Non-executive director</b>							
Mr. Yuan Chi	746	–	–	–	746	105	851
<b>Independent non-executive directors</b>							
Dr. Horn Kee Leong	646	–	–	–	646	92	738
Mr. Dajian Yu (resigned on 29 June 2023)	108	–	–	–	108	50	158
Ms. Zhao Lu	352	–	–	–	352	50	402
Mr. Kam Wai Man (appointed on 29 June 2023)	192	–	–	–	192	–	192
	<u>5,774</u>	<u>20,352</u>	<u>3,650</u>	<u>174</u>	<u>29,950</u>	<u>18,796</u>	<u>48,746</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 2024 and 2023.

## 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 (2023: 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 2024 are as follows:

	2024 HK\$' 000	2023 HK\$' 000
Salaries and other emoluments	4,027	4,297
Discretionary bonuses	335	951
Retirement scheme contributions	82	78
Equity-settled share-based payment (Note)	1,017	2,386
	<u>5,461</u>	<u>7,712</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 (2023: 1) individual with the highest emoluments for the year ended 31 December 2024 are within the following bands:

	2024 Number of individuals	2023 Number of individuals
HK\$5,000,001 – HK\$5,500,000	1	–
HK\$7,500,001 – HK\$8,000,000	–	1
	<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.

	2024	2023
Profit attributable to equity shareholders of the Company (HK\$'000)	580,676	73,053
Weighted average number of ordinary shares in issue ('000 shares)	1,147,269	1,168,063
Basic earnings per share (HK\$ per share)	0.5061	0.0625
Weighted average number of ordinary shares:		
	2024	2023
	'000	'000
Issued ordinary shares at 1 January	1,186,639	1,197,465
Effect of share award scheme	(30,037)	(28,348)
Effect of shares options exercised	15	438
Effect of repurchase of ordinary shares	(9,348)	(1,492)
Weighted average number of ordinary shares at 31 December	1,147,269	1,168,063

## 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.

	2024	2023
Profit attributable to equity shareholders of the Company (HK\$'000)	580,676	73,053
Weighted average number of ordinary shares (diluted) ('000 shares)	1,155,235	1,177,537
Diluted earnings per share (HK\$ per share)	0.5026	0.0620

Weighted average number of ordinary shares (diluted):

	2024 '000	2023 '000
Weighted average number of ordinary shares at 31 December	1,147,269	1,168,063
Effect of deemed issue of shares under the Company's share option scheme	—	104
Effect of deemed issue of shares under the Company's share award scheme (including performance-based share award scheme)	7,966	9,370
Weighted average number of ordinary shares (diluted) at 31 December	1,155,235	1,177,537

### 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.

## 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 HK\$' 000	Buildings HK\$' 000	Other properties leased for own use HK\$' 000	Leasehold improvements HK\$' 000	Computer equipment HK\$' 000	Office equipment and furniture HK\$' 000	Motor vehicles HK\$' 000	Construction in progress HK\$' 000	Others HK\$' 000	Total HK\$' 000
<b>Cost:</b>										
At 1 January 2023	29,083	300,294	169,567	110,832	119,491	20,278	8,076	128,352	3,356	889,329
Exchange adjustments	1,271	3,477	(2,021)	(819)	(359)	(230)	(25)	(1,495)	147	(54)
Additions	-	-	70,660	-	7,503	888	1,259	138,996	-	219,306
Transfer to investment properties	-	(28,207)	-	-	-	-	-	-	-	(28,207)
Disposals	-	(262)	(70,390)	(18,674)	(2,968)	(1,703)	(329)	-	-	(94,326)
At 31 December 2023	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
<b>Accumulated depreciation:</b>										
At 1 January 2023	-	(14,489)	(112,607)	(81,202)	(78,618)	(12,767)	(3,808)	-	-	(303,491)
Exchange adjustments	-	(717)	655	455	155	95	6	-	-	649
Charge for the year	-	(9,409)	(62,098)	(17,325)	(21,598)	(2,908)	(1,479)	-	-	(114,817)
Transfer to investment properties	-	607	-	-	-	-	-	-	-	607
Written back on disposals	-	69	70,390	18,659	2,579	892	312	-	-	92,901
At 31 December 2023	-	(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)
<b>Net book value:</b>										
At 31 December 2024	28,444	233,010	78,750	4,434	20,130	2,296	3,518	402,052	3,283	775,917
At 31 December 2023	30,354	251,363	64,156	11,926	26,185	4,545	4,012	265,853	3,503	661,897

Construction in progress comprises costs incurred on buildings in Fuzhou, China, which have not yet been completed at the end of the respective reporting periods.



## 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 research and development offices in Chengdu, China. As at 31 December 2024, the buildings were carried at depreciated cost, with total carrying amount of HK\$122,643,000 (31 December 2023: HK\$130,424,000), and the remaining term is 23.3 years. As at 31 December 2024, the Group is in the process of applying for the property ownership certificate in respect of the office premise.

#### (c) Other properties leased for own use

As at 31 December 2024, other properties leased for own use were carried at depreciated cost, with total carrying amount of HK\$78,750,000 (31 December 2023: HK\$64,156,000). During the year ended 31 December 2024, 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\$71,944,000 (2023: HK\$70,660,000). 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:

	2024 HK\$'000	2023 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	<u>54,704</u>	<u>62,098</u>
Interest on lease liabilities (note 6(b))	3,635	3,844
Expense relating to short-term leases	6,848	6,268

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 22(d) 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)	
	2024	2023	2024	2023
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
Office premises	5,162	9,245	12,017	12,032

During the years ended 31 December 2024 and 2023, 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

	2024 HK\$'000	2023 HK\$'000
<b>Cost:</b>		
At 1 January	27,457	–
Exchange adjustments	(587)	(750)
Transfer from property, plant and equipment	–	28,207
	<hr/>	<hr/>
At 31 December	26,870	27,457
	<hr/>	<hr/>
<b>Accumulated depreciation:</b>		
At 1 January	(1,351)	–
Exchange adjustments	46	(13)
Transfer from property, plant and equipment	–	(607)
Charge for the year	(1,008)	(731)
	<hr/>	<hr/>
At 31 December	(2,313)	(1,351)
	<hr/>	<hr/>
<b>Net book value:</b>		
At 31 December	24,557	26,106
	<hr/>	<hr/>



## 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 2024, 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\$29,760,000.

Rental income recognised by the Group during the year ended 31 December 2024 was HK\$1,666,000 (2023: HK\$690,000).

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

	2024 HK\$'000	2023 HK\$'000
Within one year (inclusive)	1,616	1,513
Over one year but within three years (inclusive)	3,359	3,378
Over three years but within five years (inclusive)	3,527	3,547
Over five years	4,483	5,794
Total	<u>12,985</u>	<u>14,232</u>

## 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
<b>Cost:</b>						
At 1 January 2023	11,265	29,412	21,711	31,091	780	94,259
Exchange adjustments	19	86	33	77	(2)	213
Additions	–	354	–	–	785	1,139
Disposals	–	(49)	–	–	–	(49)
At 31 December 2023	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)
At 31 December 2024	11,199	23,504	21,514	30,957	3,107	90,281
<b>Accumulated amortisation and impairment:</b>						
At 1 January 2023	(11,265)	(25,416)	(18,797)	(31,091)	–	(86,569)
Exchange adjustments	(19)	(13)	(15)	(77)	–	(124)
Charge for the year	–	(2,852)	(2,932)	–	–	(5,784)
Written back on disposals	–	49	–	–	–	49
At 31 December 2023	(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
At 31 December 2024	(11,199)	(23,033)	(21,514)	(30,957)	–	(86,703)
<b>Net book value:</b>						
At 31 December 2024	–	471	–	–	3,107	3,578
At 31 December 2023	–	1,571	–	–	1,563	3,134

During the year ended 31 December 2024, no impairment losses (2023: nil) on intangible assets were charged to the consolidated statement of profit or loss under “Other net gains”.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 14 LAND USE RIGHTS

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

	<b>Land use rights</b> HK\$'000
<b>Cost:</b>	
At 31 December 2022	231,871
Exchange adjustments	(3,300)
	<hr/>
At 31 December 2023	228,571
Exchange adjustments	(4,888)
	<hr/>
At 31 December 2024	223,683
	<hr style="border-top: 1px dashed;"/>
<b>Accumulated amortisation:</b>	
At 31 December 2022	(9,178)
Exchange adjustments	172
Charge for the year	(5,756)
	<hr/>
At 31 December 2023	(14,762)
Exchange adjustments	411
Charge for the year	(5,687)
	<hr/>
At 31 December 2024	(20,038)
	<hr style="border-top: 1px dashed;"/>
<b>Net book value:</b>	
At 31 December 2024	203,645
	<hr style="border-top: 3px double black;"/>
At 31 December 2023	213,809
	<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. ("IGG Singapore")	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% <sup>#</sup>	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\$68,000,000 <sup>##</sup>	–	100%	Investment holding
Fuzhou TianPing Digital Technology Co., Ltd. **	Chinese Mainland	RMB750,000,000/ RMB454,000,000 <sup>###</sup>	–	100%	Construction 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	HKD1,000,000	–	96%	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.

<sup>#</sup> 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.

<sup>##</sup> As at 31 December 2024, the registered share capital of Fuzhou Tianlong Digital Technology Co., Ltd. was US\$115,500,000 of which paid-up capital was US\$68,000,000.

<sup>###</sup> As at 31 December 2024, the registered share capital of Fuzhou TianPing Digital Technology Co., Ltd. was RMB750,000,000 of which paid-up capital was RMB454,000,000.

## 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:

	2024 HK\$'000	2023 HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	92,824	184,339
Aggregate amounts of the Group's shares of these associates'		
Profit from continuing operations	13,814	10,963
Total comprehensive income	13,814	10,963
	2024 HK\$'000	2023 HK\$'000
At 1 January	184,339	211,497
Dividends	–	(1,324)
Reclassified as assets held for sale	(75,459)	–
Share of results of associates	13,814	10,963
Impairment loss on interests in associates (Note)	(26,511)	(34,390)
Currency translation differences	(3,359)	(2,407)
At 31 December	92,824	184,339

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 2024, the Group made impairment provisions of HK\$26,511,000 (2023: HK\$34,390,000) 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\$1,939,000, 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\$65,958,000 (31 December 2023: HK\$156,995,000). 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:

	2024 HK\$' 000	2023 HK\$' 000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	106	795
Aggregate amounts of the Group's shares of these joint ventures'		
Losses from continuing operations	(688)	(1,575)
Total comprehensive income	<u>(688)</u>	<u>(1,575)</u>
	2024 HK\$' 000	2023 HK\$' 000
At 1 January	795	11,396
Share of results of joint ventures	(688)	(1,575)
Impairment loss on interests in joint ventures	–	(8,889)
Currency translation differences	<u>(1)</u>	<u>(137)</u>
At 31 December	<u>106</u>	<u>795</u>



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

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

	2024 HK\$' 000	2023 HK\$' 000
<b>Included in current assets:</b>		
– Treasury investments and others	15,968	19,017
<b>Included in non-current assets:</b>		
– Listed equity securities <sup>1</sup>	8,117	2,200
– Unquoted equity investments <sup>2</sup>	387,161	468,838
	<u>411,246</u>	<u>490,055</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\$22,735,000 were received on this investment for the year ended 31 December 2024 (2023: nil).
  - (ii) an equity investment in Griffin Gaming Partners, L.P., a private equity fund which focuses on the investment in gaming related companies worldwide. No dividends were received on this investment for the year ended 31 December 2024 (2023: HK\$8,658,000).
  - (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

	2024 HK\$' 000	2023 HK\$' 000
Trade receivables, net of loss allowance	124,553	65,516
Deposits	–	151
Other receivables	59,099	53,570
	<u>183,652</u>	<u>119,237</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:

	2024 HK\$' 000	2023 HK\$' 000
Within 3 months	<u>124,553</u>	<u>65,516</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 Company carefully considers and monitors the creditworthiness of the third-party payment service providers.

As at 31 December 2024, all the funds receivable were aged within three months and HK\$18,450,000 of loss allowance was provided for the funds receivable (31 December 2023: HK\$15,613,000). 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 2024, restricted deposits represent pledged deposits amounting HK\$16,306,000 (31 December 2023: HK\$14,134,000) for the credit limit of the credit card. A letter of guarantee amounting HK\$30,207,000 as at 31 December 2023 was fully paid in 2024.

### 22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

#### (a) Cash and cash equivalents comprise:

	2024 HK\$'000	2023 HK\$'000
Cash at bank and on hand	2,231,419	1,429,862
Deposits with other financial institutions	14,247	39,890
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated cash flow statement	<u>2,245,666</u>	<u>1,469,752</u>

Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control. As at 31 December 2024, cash and cash equivalents situated in Chinese Mainland amounted to HK\$236,308,000 (31 December 2023: HK\$279,426,000).



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

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

	Note	2024 HK\$' 000	2023 HK\$' 000
Profit before taxation		679,563	97,033
Adjustments for:			
Gain on disposal of financial assets at fair value through profit or loss	5	(160)	(6,097)
Share of results of associates and joint ventures		(13,126)	(9,388)
Impairment loss on interests in associates and joint ventures	5	26,511	43,279
Losses on disposal of property, plant and equipment	6(c)	147	666
Depreciation	6(c)	93,882	115,548
Amortisation	6(c)	7,094	11,540
Dividend income	5	(23,590)	(8,877)
Interest income	5	(63,331)	(34,627)
Finance costs	6(b)	3,635	3,844
Equity-settled share-based payment expenses	6(a)	26,335	41,934
Net fair value losses/(gains) on investments	5	83,342	(74,374)
Provision of impairment loss for trade and other receivables and funds receivable	6(c)	4,025	16,715
Changes in working capital:			
Decrease in inventories		24	145
Decrease/(increase) in funds receivable		75,834	(61,264)
Decrease in restricted deposits		28,035	379
Increase in trade and other receivables		(97,974)	(60,361)
Increase in trade and other payables		184,576	13,846
Increase in deferred revenue		13,311	19,252
Decrease in other non-current assets		3,693	2,292
Cash generated from operations		<u>1,031,826</u>	<u>111,485</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (*Continued*)

#### (c) 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)
<b>At 1 January 2024</b>	63,220
<b>Changes from financing cash flows:</b>	
Capital element of lease rentals paid	(55,618)
Interest element of lease rentals paid	(3,635)
Total changes from financing cash flows	(59,253)
<b>Exchange adjustments</b>	4,366
<b>Other changes:</b>	
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
<b>At 31 December 2024</b>	83,912

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

#### (c) Reconciliation of liabilities arising from financing activities *(Continued)*

	<b>Lease liabilities</b>
	HK\$' 000
	(note 24)
<b>At 1 January 2023</b>	62,999
<b>Changes from financing cash flows:</b>	
Capital element of lease rentals paid	(63,472)
Interest element of lease rentals paid	(3,844)
Total changes from financing cash flows	(67,316)
<b>Exchange adjustments</b>	(6,362)
<b>Other changes:</b>	
Increase in lease liabilities from entering into new leases during the year	70,660
Termination of lease liabilities	(605)
Interest expenses (note 6(b))	3,844
Total other changes	73,899
<b>At 31 December 2023</b>	63,220

#### (d) Total cash outflow for leases

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

	<b>2024</b>	<b>2023</b>
	HK\$' 000	HK\$' 000
Within operating cash flows	6,848	4,386
Within financing cash flows	59,253	67,316
	66,101	71,702



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (*Continued*)

#### (d) Total cash outflow for leases (*Continued*)

These amounts relate to the following:

	2024 HK\$'000	2023 HK\$'000
Lease rentals paid	<u>66,101</u>	<u>71,702</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:

	2024 HK\$'000	2023 HK\$'000
Within 3 months	516,848	350,584
6 months to 1 year	<u>—</u>	<u>26</u>
Total creditors	516,848	350,610
Salary and welfare payables	92,205	70,435
Other tax payables	41,827	41,227
Other payables and accruals	<u>137,925</u>	<u>108,419</u>
	<u>788,805</u>	<u>570,691</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:

	2024		2023	
	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	51,989	52,990	35,263	35,896
After 1 year but within 2 years	24,966	26,499	20,701	22,147
After 2 years but within 5 years	6,957	7,685	7,256	7,885
	<u>31,923</u>	<u>34,184</u>	<u>27,957</u>	<u>30,032</u>
	<u>83,912</u>	<u>87,174</u>	<u>63,220</u>	65,928
Less: total future interest expenses		<u>(3,262)</u>		<u>(2,708)</u>
Present value of lease liabilities		<u>83,912</u>		<u>63,220</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:

	2024		2023	
	Weighted average exercise price HK\$	Number of options	Weighted average exercise price HK\$	Number of options
Outstanding at the beginning of the year	4.08	4,635,000	4.11	4,765,000
Exercised during the year	3.51	(75,000)	4.91	(30,000)
Forfeited/Lapsed during the year	3.91	(447,000)	5.47	(100,000)
Outstanding at the end of the year	4.11	<u>4,113,000</u>	4.08	<u>4,635,000</u>
Exercisable at the end of the year	4.11	<u>4,113,000</u>	4.06	<u>4,545,750</u>

As at 31 December 2024, the share options outstanding under the Share Option Scheme had a weighted average remaining contractual life of 0.52 years (31 December 2023: 1.49 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 2024 was HK\$4.22 (2023: HK\$6.10).

## 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:

2024 Number of options	Exercise price per share HK\$	Grant date	Expiry date
3,511,000	3.90	23 March 2015	22 March 2025
290,000	5.75	19 August 2019	18 August 2029
312,000	4.91	6 May 2020	5 May 2030
<u>4,113,000</u>			

The share options granted under the Share Option Scheme outstanding as at the end of the reporting period will vest in anniversary of grant date with each of 25% being vested annually. As at 31 December 2024, no share options (31 December 2023: 89,250 share options) have not been vested and were not exercisable.

Share options exercised under the Share Option Scheme during the year ended 31 December 2024 resulted in the issuance of 75,000 (2023: 542,000) ordinary shares of the Company and share premium of HK\$335,000 (2023: HK\$836,000), 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 2024 and 2023 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 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)
At 31 December 2024	<u>20,982,991</u>	<u>6,554,289</u>	<u>27,537,280</u>
Vested but not transferred as at 31 December 2024			<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 2023	16,221,892	13,555,140	29,777,032
Purchased	9,340,000	—	9,340,000
Granted	(5,314,433)	5,314,433	—
Forfeited/Lapsed	1,414,541	(1,414,541)	—
Vested	—	(8,732,865)	(8,732,865)
At 31 December 2023	<u>21,662,000</u>	<u>8,722,167</u>	<u>30,384,167</u>
Vested but not transferred as at 31 December 2023			<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 10 April 2024, the Group granted a total of 965,600 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\$3.27 per share.

On 29 May 2024, the Group granted a total of 338,250 awarded shares, among which 174,000 awarded shares were vested on 29 May 2024 and 164,250 awarded shares will vest on the date of the annual general meeting of the Company to be convened in 2025. The fair value of awarded shares granted was HK\$3.05 per share.

On 11 September 2024, the Group granted a total of 411,812 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\$3.55 per share.

On 22 December 2024, the Group granted a total of 782,839 awarded shares, among which 391,420 awarded shares will vest on 22 December 2025 and 391,419 awarded shares will vest on 22 December 2026. The fair value of awarded shares granted was HK\$3.87 per share.

The weighted average fair value of awarded shares granted during the year ended 31 December 2024 was HK\$3.47 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 2024 and 2023 are as follows:

	Number of awarded shares granted but not yet vested
At 1 January 2024	42,981,209
Forfeited/Lapsed	(14,327,072)
	<hr/>
At 31 December 2024	28,654,137
	<hr/>
Vested but not transferred as at 31 December 2024	—
	<hr/>
	Number of awarded shares granted but not yet vested
At 1 January 2023	57,308,281
Forfeited/Lapsed	(14,327,072)
	<hr/>
At 31 December 2023	42,981,209
	<hr/>
Vested but not transferred as at 31 December 2023	—
	<hr/>

As at 31 December 2024, there were no shares of the Company held for the performance-based share award scheme (31 December 2023: 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 subsequently amended by the Board on 26 March 2025.

As at 31 December 2024, 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:

	2024 HK\$'000	2023 HK\$'000
Balance at the beginning of the year	117,809	130,395
Provision for corporate income tax for the year	89,645	9,925
Over-provision in respect of prior years	(35,304)	(5,774)
Provision for withholding tax for the year	21,045	23,300
Withholding Tax paid	(21,045)	(23,300)
Income tax paid during the year	(10,072)	(17,535)
Tax refund during the year	35,772	—
Exchange adjustments	(1,175)	798
	<hr/>	<hr/>
Balance at the end of the year	196,675	117,809



## 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
<b>Deferred tax arising from:</b>							
At 1 January 2023	5,098	10,760	(11,880)	(53)	(32,051)	(5,971)	(34,097)
(Credited)/charged to profit or loss	(1,718)	(653)	1,575	(65)	7,986	(10,596)	(3,471)
Currency translation differences	18	(3)	2	–	652	(119)	550
	<u>3,398</u>	<u>10,104</u>	<u>(10,303)</u>	<u>(118)</u>	<u>(23,413)</u>	<u>(16,686)</u>	<u>(37,018)</u>
At 31 December 2023	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>(29)</u>	<u>(13)</u>	<u>13</u>	<u>1</u>	<u>(417)</u>	<u>1,070</u>	<u>625</u>
At 31 December 2024	<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>

##### (ii) *Reconciliation to the consolidated statement of financial position:*

	2024 HK\$'000	2023 HK\$'000
Net deferred tax asset in the consolidated statement of financial position	(17,555)	(40,593)
Net deferred tax liability in the consolidated statement of financial position	<u>2,759</u>	<u>3,575</u>
	<u>(14,796)</u>	<u>(37,018)</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\$131,304,000 (2023: HK\$265,701,000). 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\$121,485,000 will expire during 2025-2029, and the remaining amount of HK\$9,819,000 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 2024, 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\$81,280,000 at 31 December 2024 (2023: HK\$58,214,000).

### 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\$207,145,000 recognised in the year ended 31 December 2024 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 capital (note 29(c)) HK\$'000	Share premium (note 29(d)(i)) HK\$'000	Share-based payment reserve (note 29(d)(ii)) HK\$'000	Shares held for share award scheme HK\$'000	Shares repurchased for cancellation HK\$'000	Other reserve (note 29(d)(iv)) HK\$'000	Exchange reserve (note 29(d)(iii)) HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>Balance at 1 January 2023</b>		23	6,571	145,715	(232,751)	–	56,033	7,865	2,894,307	2,877,763
<b>Changes in equity for 2023:</b>										
Profit for the year		–	–	–	–	–	–	–	73,053	73,053
Other comprehensive income		–	–	–	–	–	–	9,550	–	9,550
Equity-settled share-based payment		–	–	41,934	–	–	–	–	–	41,934
Shares purchased for the share award scheme	29(c)	–	–	–	(32,286)	–	–	–	–	(32,286)
Repurchase of ordinary shares	29(c)	–	–	–	–	(44,560)	–	–	–	(44,560)
Cancellation of ordinary shares	29(c)	–*	(9,634)	–	–	36,629	–	–	(26,995)	–
Exercise of share options	29(c)	–*	836	(345)	–	–	–	–	–	491
Vesting of awarded shares	29(c)	–	2,227	(68,561)	66,334	–	–	–	–	–
<b>Balance at 31 December 2023</b>		<u>23</u>	<u>–</u>	<u>118,743</u>	<u>(198,703)</u>	<u>(7,931)</u>	<u>56,033</u>	<u>17,415</u>	<u>2,940,365</u>	<u>2,925,945</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 capital (note 29(c)) HK\$' 000	Share premium (note 29(d)(i)) HK\$' 000	Share-based payment reserve (note 29(d)(ii)) 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	Other reserve (note 29(d)(iv)) HK\$' 000	Exchange reserve (note 29(d)(iii)) HK\$' 000	Retained earnings HK\$' 000	Total 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	23	-	-	125,638	(175,405)	-	(13,753)	58,433	(29,558)	3,371,407	3,336,785

\* 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)

#### (b) Dividends

##### (i) Dividends payable to equity shareholders of the Company attributable to the year

	2024 HK\$' 000	2023 HK\$' 000
Interim dividend declared and paid of HK8.5 cents (2023: nil) per ordinary share	99,810	—
Second interim dividend proposed after the end of the reporting period of HK6.4 cents per ordinary share (2023: nil)	74,919	—
	<u>174,729</u>	<u>—</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

No dividend payable to equity shareholders of the Company attributable to the previous financial year was approved and paid during the year ended 31 December 2024.

## 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 2024 and 2023, the authorised share capital of the Company comprises 2,000,000,000 ordinary shares with par value of US\$0.0000025 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 <sup>^</sup>	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 2023		1,197,464,599	23	6,571	(232,751)	–	–
Vesting of awarded shares		–	–	2,227	66,334	–	–
Share options exercised (note 26)		542,000	–*	836	–	–	–
Shares purchased for the share award scheme		–	–	–	(32,286)	–	–
Repurchase of ordinary shares		–	–	–	–	(44,560)	–
Cancellation of ordinary shares		(11,368,000)	–*	(9,634)	–	36,629	–
At 31 December 2023		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	i	–	–	–	(5,435)	–	–
Repurchase of ordinary shares	ii	–	–	–	–	(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)

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

<sup>^</sup> As at 31 December 2024, the total number of issued ordinary shares of the Company included 27,537,280 shares (31 December 2023: 30,384,167 shares) held under the share award scheme, no shares held for cancellation (31 December 2023: 2,507,000) and 3,707,000 shares held as treasury shares (31 December 2023: nil) respectively.

#### Notes:

- (i) During the year ended 31 December 2024, the Company purchased 1,664,000 shares on the Stock Exchange pursuant to the share award scheme at an average price of approximately HK\$3.27 per share with total consideration of HK\$5,435,000.
- (ii) During the year ended 31 December 2024, the Company repurchased 13,602,000 shares on the Stock Exchange with an average price of approximately HK\$3.43 per share. The total amount paid on the repurchased shares was HK\$46,616,000.



# 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 2024 and 2023 was as follows:

	2024 HK\$' 000	2023 HK\$' 000
Total current liabilities	1,259,563	931,142
Total non-current liabilities	34,682	31,532
	<u>1,294,245</u>	<u>962,674</u>
Total current assets	2,872,376	2,046,151
Total non-current assets	1,546,280	1,651,286
	<u>4,418,656</u>	<u>3,697,437</u>
Gearing ratio	<u>29.3%</u>	<u>26.0%</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:

	2024		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	2.20%	127,349	2,796
	2023		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	2.40%	67,124	1,608



## 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:

	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>

	2023		
	Expected loss rate	Gross carrying amount HK\$' 000	Loss allowance HK\$' 000
Current (not past due)	0.29%	357,799	1,049
Individual provision	100.00%	14,564	14,564
Total		<u>372,363</u>	<u>15,613</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:

	2024 HK\$'000	2023 HK\$'000
Balance at 1 January	17,221	506
Impairment losses recognised during the year	4,025	16,715
	<hr/>	<hr/>
Balance at 31 December	<u>21,246</u>	<u>17,221</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 2024, the Group held cash and cash equivalents of HK\$2,245,666,000 (31 December 2023: HK\$1,469,752,000) 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.

2024				
Contractual undiscounted cash outflow				
	Within 1 year or on demand HK\$' 000	More than 1 year but less than 2 years HK\$' 000	More than 2 years but less than 5 years HK\$' 000	Total HK\$' 000
				Carrying amount at 31 December HK\$' 000
Trade and other payables	788,805	–	–	788,805
Lease liabilities	52,990	26,499	7,685	87,174
	<u>841,795</u>	<u>26,499</u>	<u>7,685</u>	<u>875,979</u>
				<u>872,717</u>
2023				
Contractual undiscounted cash outflow				
	Within 1 year or on demand HK\$' 000	More than 1 year but less than 2 years HK\$' 000	More than 2 years but less than 5 years HK\$' 000	Total HK\$' 000
				Carrying amount at 31 December HK\$' 000
Trade and other payables	570,691	–	–	570,691
Lease liabilities	35,896	22,147	7,885	65,928
	<u>606,587</u>	<u>22,147</u>	<u>7,885</u>	<u>636,619</u>
				<u>633,911</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.

	2024		2023	
	Effective		Effective	
	interest rate		interest rate	
		HK\$'000		HK\$'000
<b>Fixed rate borrowings:</b>				
Lease liabilities	4.72%	<u>83,912</u>	4.60%	<u>63,220</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:

	2024			2023		
	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% (5%)	(26,063) 26,063	(26,063) 26,063	5% (5%)	(21,590) 21,590	(21,590) 21,590
Singapore dollars	5% (5%)	657 (657)	657 (657)	5% (5%)	4,221 (4,221)	4,221 (4,221)
Hong Kong dollars	5% (5%)	1,323 (1,323)	1,323 (1,323)	5% (5%)	2,452 (2,452)	2,452 (2,452)

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 2023.

## 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 2024, it is estimated that with all other variables held constant, an increase/(decrease) of 5% (2023: 5%) in prices of the respective instruments would have increased/decreased the Group's profit after tax (and retained earnings) by HK\$18,831,000 (2023: HK\$22,518,000).

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 2023.



## 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 2024	Fair value measurements as at 31 December 2024 categorised into		
	HK\$' 000	Level 1 HK\$' 000	Level 2 HK\$' 000	Level 3 HK\$' 000
<b>Recurring fair value measurements</b>				
<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	—

## 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 2023	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Recurring fair value measurements</b>				
<i>Assets:</i>				
Treasury investments and others	19,017	19,017	—	—
Listed equity securities	2,200	2,200	—	—
Unquoted equity securities	468,838	—	—	468,838
<i>Liabilities:</i>				
Other financial liabilities	234	—	234	—

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: 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	2024: 4.0 (2023: 6.5)	5% increase/decrease in multiple would result in increase/decrease in fair value by HK\$2,380,000/HK\$2,380,000 (2023: HK\$2,303,000/HK\$2,303,000)
	Discount for lack of marketability ("DLOM")	2024: 25% (2023: 25%)	5% increase/decrease in DLOM would result in decrease/increase in fair value by HK\$979,000/HK\$979,000 (2023: HK\$991,000/HK\$991,000)



## 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:

	2024 HK\$'000	2023 HK\$'000
<b>Unquoted equity securities:</b>		
At 1 January	468,838	395,842
Additional investments acquired	7,782	—
Net unrealised (losses)/gains recognised in profit or loss during the year	(84,768)	74,084
Exchange adjustments	(4,691)	(1,088)
	<u>387,161</u>	<u>468,838</u>
At 31 December		
	<u>387,161</u>	<u>468,838</u>
Total (losses)/gains for the year included in profit or loss for assets held at the end of the reporting period	<u>(84,768)</u>	<u>74,084</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 2023 and 31 December 2024.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 31 COMMITMENTS

Capital commitments outstanding at 31 December 2024 not provided for in the financial statements were as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Contracted for:</b>		
Construction of self-use office building	41,970	174,119
Investment contracts	3,726	5,315
Purchase of equipment	1,088	—
	<u>46,784</u>	<u>179,434</u>

In addition, the Group was not committed at 31 December 2024 to enter into new leases of that are not yet commenced (2023: nil).

### 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:

	2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	53,131	27,732
Post-employment benefits	182	174
Equity-settled share-based payment	7,986	18,499
	<u>61,299</u>	<u>46,405</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 2024, 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 2024 was HK\$19,251,000 (2023: HK\$22,627,000).

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 2024 HK\$' 000	31 December 2023 HK\$' 000
<b>Non-current assets</b>		
Investments in subsidiaries	2,967,042	2,545,230
Interest in associates and joint ventures	108	797
Financial assets at fair value through profit or loss	243,967	330,970
<b>Total non-current assets</b>	<b>3,211,117</b>	<b>2,876,997</b>
<b>Current assets</b>		
Prepayments, deposits and other receivables	667	552
Amounts due from subsidiaries	60,791	3,264
Cash and cash equivalents	162,595	141,699
<b>Total current assets</b>	<b>224,053</b>	<b>145,515</b>
<b>Current liabilities</b>		
Amounts due to subsidiaries	89,827	91,789
Other payables and accruals	8,558	4,778
<b>Total current liabilities</b>	<b>98,385</b>	<b>96,567</b>
<b>Net current assets</b>	<b>125,668</b>	<b>48,948</b>
<b>Total assets less current liabilities</b>	<b>3,336,785</b>	<b>2,925,945</b>
<b>NET ASSETS</b>	<b>3,336,785</b>	<b>2,925,945</b>
<b>CAPITAL AND RESERVES</b>		
Share capital	23	23
Reserves	3,336,762	2,925,922
<b>TOTAL EQUITY</b>	<b>3,336,785</b>	<b>2,925,945</b>



## 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 2024

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 2024 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 IAS 21, <i>The effects of changes in foreign exchange rates – Lack of exchangeability</i>	1 January 2025
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.

## FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HKD' 000	HKD' 000	HKD' 000	HKD' 000	HKD' 000
<b>Revenue</b>	<b>5,737,114</b>	5,265,911	4,591,327	6,050,894	5,464,035
Cost of revenue	<b>(1,126,244)</b>	(1,346,854)	(1,440,494)	(1,852,808)	(1,648,596)
<b>Gross profit</b>	<b>4,610,870</b>	3,919,057	3,150,833	4,198,086	3,815,439
Other net gains/(losses)	<b>6,394</b>	90,369	(263,752)	(31,130)	995,854
Selling and distribution expenses	<b>(2,811,049)</b>	(2,665,908)	(1,702,443)	(1,953,129)	(1,436,566)
Administrative expenses	<b>(348,735)</b>	(317,177)	(363,295)	(447,829)	(358,853)
Research and development costs	<b>(787,408)</b>	(934,852)	(1,305,078)	(1,253,767)	(689,959)
<b>Profit/(loss) from operations</b>	<b>670,072</b>	91,489	(483,735)	512,231	2,325,915
Finance costs	<b>(3,635)</b>	(3,844)	(4,291)	(5,976)	(3,465)
Share of results of associates and joint ventures	<b>13,126</b>	9,388	2,822	(60,038)	(17,922)
<b>Profit/(loss) before taxation</b>	<b>679,563</b>	97,033	(485,204)	446,217	2,304,528
Income tax expenses	<b>(96,983)</b>	(23,980)	(18,385)	(76,605)	(207,746)
<b>Profit/(loss) for the year</b>	<b>582,580</b>	73,053	(503,589)	369,612	2,096,782
<b>Attributable to:</b>					
Equity shareholders of the Company	<b>580,676</b>	73,053	(503,589)	370,438	2,097,015
Non-controlling interests	<b>1,904</b>	—	—	(826)	(233)

## FINANCIAL SUMMARY

	As at 31 December				
	2024	2023	2022	2021	2020
	HKD' 000	HKD' 000	HKD' 000	HKD' 000	HKD' 000
<b>Assets, Liabilities and Equity</b>					
<b>TOTAL ASSETS</b>	<b>4,418,656</b>	3,697,437	3,636,137	4,454,192	4,881,118
<b>TOTAL LIABILITIES</b>	<b>1,294,245</b>	962,674	924,270	1,140,736	1,022,931
<b>TOTAL EQUITY</b>	<b>3,124,411</b>	2,734,763	2,711,867	3,313,456	3,858,187



## DEFINITION

“2023 AGM”	the annual general meeting of the Company held on 29 June 2023
“2024 AGM”	the annual general meeting of the Company held on 29 May 2024
“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 2024 AGM 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
“Fuzhou Tianping”	Fuzhou Tianping Digital Technology Co., Ltd.* (福州天平數碼科技有限公司), a limited liability company established under the laws of the PRC on 21 February 2020, a wholly-owned subsidiary of the Company
“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
“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

\* For identification purpose only

## DEFINITION

“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
“Land”	a piece of land located at eastern side of Fuguang Road, southern side of Hutang Road, old housing reconstruction project land lot no. 2 at Hutang Village and surrounding area, Jin'an District, Fuzhou, the PRC (Land Lot No. 2020-44 (2020-44號)), with a total site area of approximately 8,910 square metres, designated for business and commercial use with a term of land use rights of 40 years, the land use rights of which were acquired by Fuzhou Tianping pursuant to the State-owned Construction Land Use Rights Assignment Contract* (國有建設用地使用權出讓合同) entered into between Fuzhou Tianping and Fuzhou Natural Resources and Planning Bureau on 15 September 2020
“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 2024
“%”	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.*