



Boyaa Interactive International Limited  
博雅互動國際有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code:0434



2024  
Annual Report



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## Corporate Information

### BOARD OF DIRECTORS

#### **Executive Directors**

Mr. Dai Zhikang (*Chairman*)  
Ms. Tao Ying (*Acting Chief Executive Officer*)

#### **Independent Non-executive Directors**

Mr. Cheung Ngai Lam  
Mr. Choi Hon Keung Simon  
Mr. Kong Fanwei (*retired on 19 April 2024*)  
Mr. Ma Jingchun (*appointed on 19 April 2024*)

### AUDIT COMMITTEE

Mr. Cheung Ngai Lam (*Chairman*)  
Mr. Choi Hon Keung Simon  
Mr. Kong Fanwei (*retired on 19 April 2024*)  
Mr. Ma Jingchun (*appointed on 19 April 2024*)

### NOMINATION COMMITTEE

Mr. Choi Hon Keung Simon (*Chairman*)  
Ms. Tao Ying  
Mr. Kong Fanwei (*retired on 19 April 2024*)  
Mr. Ma Jingchun (*appointed on 19 April 2024*)

### REMUNERATION COMMITTEE

Mr. Cheung Ngai Lam (*Chairman*)  
Mr. Choi Hon Keung Simon  
Mr. Kong Fanwei (*retired on 19 April 2024*)  
Mr. Ma Jingchun (*appointed on 19 April 2024*)

### JOINT COMPANY SECRETARIES

Ms. Tao Ying  
Mr. Poon Ping Yeung

### AUTHORISED REPRESENTATIVES

Ms. Tao Ying  
Mr. Poon Ping Yeung

### AUDITOR

ZHONGHUI ANDA CPA Limited  
*Certified Public Accountants*  
23/F, Tower 2  
Enterprise Square Five  
38 Wang Chiu Road  
Kowloon Bay  
Hong Kong

### COMPANY'S WEBSITE

[www.boyaa.com.hk](http://www.boyaa.com.hk)

### STOCK CODE

0434



## Corporate Information

### REGISTERED ADDRESS AND HEADQUARTERS IN HONG KONG

19/F, Golden Centre  
188 Des Voeux Road Central  
Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

### HONG KONG SHARE REGISTRAR

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

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

### PRINCIPAL BANK

Hang Seng Bank, Hong Kong Branch  
Bank of China, Hong Kong Branch  
China Construction Bank, Shenzhen Branch





**Dai ZhiKang**  
Chairman

*Build the Company into  
a Pure and Leading Web3 Listed Company*

Dear Shareholders,

On behalf of the Board of Directors of Boyaa Interactive International Limited (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”).

In 2024, our advancements in traditional online card and board games remained steady and our business deployment in the Web3 field was facilitated in a proactive manner. We continued to focus on the research and development of online card and board game products, and at the same time invested heavily in the research and development of Web3 game products and Web3-related infrastructure. We have invested in and incubated a number of projects in the Web3 field, such as MTT ESports (a R&D and operation platform of Web3 games), RootData (a Web3 asset data platform), BounceBit project (a Web3 asset management platform), Awakening Ventures Fund, UTXO Fund and Pacific Waterdrip Digital Asset Fund.



## Chairman's Statement

In 2024, the Group continued to expand its cryptocurrency reserves, mainly in Bitcoin (BTC). As at the date of this report, the Group held approximately 3,351 units of BTC with an average cost of approximately US\$58,628 per unit and approximately 295 units of ETH with an average cost of approximately US\$1,661 per unit.

In terms of financial performance, while our revenue from traditional games in 2024 maintained a modest and solid growth, we also gained digital asset appreciation through value-added management of our expanding cryptocurrency assets, injecting a new impetus to the Group's revenue growth. In 2024, we recorded total revenue of approximately RMB456.9 million, representing a year-on-year increase of approximately 15.8% compared to 2023; in 2024, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB886.3 million, representing a year-on-year increase of approximately 645.2% as compared to the same period in 2023, mainly due to (i) the increase in the fair value of cryptocurrencies held by the Group over the purchase cost for the year ended 31 December 2024; (ii) the increase in the Group's revenue recorded for the year ended 31 December 2024 as compared to the same period in 2023; and (iii) the reduction in the decrease in the fair value of the Group's financial assets such as equity investment partnerships for the year ended 31 December 2024 as compared to the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the year ended 31 December 2024 represented a year-on-year increase of approximately 14.8%, which was mainly due to the increase in revenue as compared to the same period in 2023. In 2024, the Group's fair value gain from digital assets amounted to approximately RMB860 million and the value-added gains from the digital assets amounted to approximately RMB50 million.

During the third quarter of 2024, we successfully held the online integrated server sessions of (Boyaa Poker Tour) BPT branded tournament – BPT 2024. The tournament attracted a total of 78,600 participants from Asia and Europe, which further enhanced our brand influence and enabled us to continue to move forward steadily on the road to building an international first-class poker tournament brand. We stay true to the mission and have been upholding the concept of "growing in love" in the charity, holding the strong corporate social responsibility and returning back to our society. We participated in the welfare activity "Caring for Mountainous Areas and Donating Books to Help Rural Students" organized by the Guangdong Provincial Education Foundation in the second quarter of 2024 by donating funds to establish charity libraries in rural schools. We also participated in the love donation activity for schools in Xinjiang organized by the China Audio-video and Digital Publishing Association by donating school supplies.

In 2024, the Board recommended the payment of a final dividend in the sum of approximately HK\$75,596,000, representing approximately HK\$0.1064 per ordinary share. The total amount of the final dividend comprises the sum of 20% of the Group's net operating profit<sup>(Note)</sup>, 5% of the increase in fair value of the digital assets acquired by the Group, and 5% of the value-added gains from the digital assets acquired by the Group for the year ended 31 December 2024.

In 2025, we will continue to maintain the steady development of our traditional online game business, and meanwhile, we will step up our efforts in the research and development, innovation, investment in and incubation of Web3 game-related products and Web3 infrastructure, so as to proactively facilitate the development and deployment of the Group's business in the Web3 field. For game products, we will continue to enrich the content and gameplay, improve game features and infrastructure (including Web3-related infrastructure) construction, strive to optimise user experience, continue to explore the operation mode of our game products, especially Web3 game products, make efforts to refine our products and diversify our operation by focusing on creating and incubating high-quality card and board game products, tournament products and industry-leading Web3 game products.

*Note: Net operating profit was net cash generated from operating activities of online games businesses.*



## Chairman's Statement

In addition, long-term holding and continuous expansion of Bitcoin reserves is an important strategy of the Group. The Group is optimistic about the development of the cryptocurrency market and Bitcoin and believes that Bitcoin has long-term value. In the future, the Group will continuously expand Bitcoin reserves and will not exclude the possibility of raising funds in the secondary market by way of placing of shares and issuing bonds, etc.

We will strictly comply with various laws and regulations in various jurisdictions that it has operations, strive to build and incubate high-quality card and board game products and industry-leading Web3 game products continue the journey to forge a century-old brand for Boyaa online card and board games, and build the Company into a pure and leading Web3 listed company.

We are full of confidence and expectations for the future and the Board, the management and all staff of the Group share a common goal. With our steadfast belief and strong team-spirit, we will continue to step forward with our unremitting efforts, striving for the best interests for every stakeholder.

I would like to take this opportunity to express my sincere gratitude to the Board, the management and all staff of the Group for their dedication in the past year to the Group, and to the shareholders of the Company and business partners for their concerns and confidence towards the Group!

**Dai Zhikang**

*Chairman*

5 March 2025



## Financial Summary

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (restated)	2020 RMB'000
Revenue	456,885	394,582	375,266	366,161	351,479
Gross profit	332,137	271,279	245,845	244,962	242,231
Profit/(loss) before income tax	1,043,521	126,950	85,197	18,604	(22,086)
Profit/(loss) for the year	883,779	117,179	64,200	(4,366)	(45,102)
Total comprehensive income/(expenses) for the year	878,832	139,744	114,517	(41,149)	(59,683)
Profit/(loss) attributable to owners of the Company	883,779	117,179	64,200	(4,366)	(45,102)
Total comprehensive income/(expenses) attributable to owners of the Company	878,832	139,744	114,517	(41,149)	(59,683)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (restated)	2020 RMB'000 (restated)
<b>Assets</b>					
Non-current assets	377,545	143,352	289,224	205,586	492,362
Current assets	2,585,820	1,785,320	1,497,366	1,420,048	1,175,185
<b>Total assets</b>	<b>2,963,365</b>	<b>1,928,672</b>	<b>1,786,590</b>	<b>1,625,634</b>	<b>1,667,547</b>
<b>Equity and liabilities</b>					
Total equity	2,462,550	1,598,789	1,457,284	1,339,954	1,381,134
Non-current liabilities	156,982	9,705	13,390	4,588	7,380
Current liabilities	343,833	320,178	315,916	281,092	279,033
<b>Total liabilities</b>	<b>500,815</b>	<b>329,883</b>	<b>329,306</b>	<b>285,680</b>	<b>286,413</b>
<b>Total equity and liabilities</b>	<b>2,963,365</b>	<b>1,928,672</b>	<b>1,786,590</b>	<b>1,625,634</b>	<b>1,667,547</b>
Net current assets	2,241,987	1,465,142	1,181,450	1,138,956	896,152
<b>Total assets less current liabilities</b>	<b>2,619,532</b>	<b>1,608,494</b>	<b>1,470,674</b>	<b>1,344,542</b>	<b>1,388,514</b>





# Management Discussion and Analysis

## BUSINESS OVERVIEW AND OUTLOOK

### *Review of 2024*

The Web3 industry has been an emerging market with great potential for development. In 2024, the global Web3 industry has been developing favourably. In view of the attractiveness of virtual assets to global investors and the future opportunities that would be brought about by the entry of virtual assets into the field of Web3, the Hong Kong Government has been endeavouring to provide a supportive environment, and thus facilitated the sustainable development of the Web3 industry and the virtual assets market.

In 2024, the global online game market has been improving steadily and was developing in a more open, immersive and diversified direction, driven by both technological innovation and user demand. On the one hand, technological innovations have enriched gameplay and brought more vitality to the game industry; on the other hand, competition has been also on the rise as the variety of games increases. Game producers have had to constantly innovate and expand their game products, leading to the game market full of opportunities and challenges.

In 2024, the Group's traditional online game business maintained a steady and modest growth trend, while we have made more profound business layout in the field of Web3, with an aim to create industry-leading Web3 games through a combination of existing online games and Web3 technology, as well as invest in and incubate projects in the field of Web3. Meanwhile, continuous expansion of Bitcoin reserves is an important strategy of the Group. The Group is optimistic about the cryptocurrency market and the development of Bitcoin and is of the view that Bitcoin has long-term value. The Group will hold and continue to expand its Bitcoin reserves in the long run, and will not exclude the possibility of raising funds in the secondary market by way of placing of shares and issuing bonds, etc..

In terms of financial performance, we recorded revenue of approximately RMB456.9 million in 2024, representing a year-on-year increase of approximately 15.8% compared to 2023, primarily due to (i) value-added gain of digital assets generated from the cryptocurrencies held by the Group; and (ii) the increase in the Group's revenue generated from online games as a result of the Group's holding of certain online operational activities (e.g., increasing operation efforts of events and activities, planning multithemed time-limited activities, and enhancing user engagement as well as the ecological value of in-game items) and continuous optimization of its game products and gameplay (e.g., optimizing the competition process, enhancing the participant experience, introducing spectator features and improving fairness and competitiveness). In the fourth quarter of 2024, we recorded revenue of approximately RMB138.7 million, representing a year-on-year increase of approximately 38.3% as compared to the fourth quarter of 2023 and a quarter-on-quarter increase of approximately 32.3% as compared to the third quarter of 2024, primarily due to value-added gain of digital assets generated from the cryptocurrencies held by the Group.



## Management Discussion and Analysis

In 2024, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB886.3 million, representing a year-on-year increase of approximately 645.2% as compared to the same period in 2023, mainly due to (i) the increase in the fair value of cryptocurrencies held by the Group over the purchase cost for the year ended 31 December 2024; (ii) the increase in the Group's revenue recorded for the year ended 31 December 2024 as compared to the same period in 2023; and (iii) the reduction in the decrease in the fair value of the Group's financial assets such as equity investment partnerships for the year ended 31 December 2024 as compared to the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the year ended 31 December 2024 represented a year-on-year increase of approximately 14.8%, which was mainly due to the increase in revenue as compared to the same period in 2023. In the fourth quarter of 2024, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB670.0 million, representing a year-on-year increase of approximately 2,002.6% as compared to the same period in 2023, mainly due to (i) a rise in the increase in the fair value of digital assets over the purchase cost for the three months ended 31 December 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 30 September 2024, whereas there was no effect of changes in the fair value of digital assets for the same period in 2023; and (ii) the increase in the Group's revenue recorded for the three months ended 31 December 2024 as compared to the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 31 December 2024 represented a year-on-year increase of approximately 43.3%, which was mainly due to the increase in revenue as compared to the same period in 2023. In the third quarter of 2024, we recorded an unaudited non-IFRS adjusted loss of approximately RMB71.9 million, while we recorded an unaudited non-IFRS adjusted net profit in the fourth quarter of 2024. The change of position from the unaudited non-IFRS adjusted net loss for the third quarter of 2024 to the unaudited non-IFRS adjusted net profit for the fourth quarter of 2024 was mainly due to (i) an increase in fair value of digital assets of the Group recorded for the three months ended 31 December 2024, whereas a decrease in fair value of digital assets recorded for the three months ended 30 September 2024; and (ii) a quarter-on-quarter increase in revenue of the Group for the three months ended 31 December 2024. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 31 December 2024 would have a quarter-on-quarter increase of approximately 52.8%, mainly due to a quarter-on-quarter increase in revenue.

In terms of the operating data performance, the number of paying players and users in the fourth quarter of 2024 remained stable at approximately 0.20 million as compared to that in the third quarter of 2024. The number of Daily Active Users ("DAUs") increased by 2.8% from approximately 1.17 million in the third quarter of 2024 to approximately 1.20 million in the fourth quarter of 2024. The number of Monthly Active Users ("MAUs") decreased by 7.9% from approximately 4.5 million in the third quarter of 2024 to approximately 4.2 million in the fourth quarter of 2024, mainly due to the decrease in number of active users of mobile version of Texas Hold'em. However, the Average Revenue Per Paying User ("ARPPU") has grown in mobile version of Texas Hold'em.



## Management Discussion and Analysis

In terms of game products, we provided a total of 61 traditional online game product portfolio with a total of 12 languages as at 31 December 2024. In 2024, in view of the operation situation in the PRC domestic market, we terminated the operation of six domestic game products in the PRC to focus on developing other markets. In 2024, we were committed to craft high-quality card and board game products, competition products, and industry-leading Web3 game products and continued to intensify in-depth market research and focus on game products, including research and development (“R&D”) of Web3 game products, innovation of gameplay, enrichment of game products and optimisation of user experience, continuous improvement of game features and infrastructure construction, and made efforts to refine our products and diversify our operation in a steady manner to improve the quality of our game products. In 2024, we continued to expand our overseas markets, focusing on regions such as Southeast Asia and the Middle East. During the year, our revenue generated from online games in the Middle East increased significantly year-on-year. Meanwhile, we focused on the R&D and innovation of game products, especially Web3 game-related products and Web3 infrastructure (including but not limited to Web3 wallet, DeFi infrastructure, etc.), and vigorously invested in and incubated Web3 projects, and proactively deployed our business in the field of Web3.

In 2024, the Group has invested in and incubated a number of projects in the Web3 field, such as Awakening Ventures Fund (mainly investing in Web3 track projects), Pacific Waterdrip Digital Asset Fund (mainly investing in meta-universe, non-fungible token (NFT), and blockchain field of Web3 infrastructure), UTXO Fund (focusing on the emerging Bitcoin ecosystem), RootData, a Web3 asset data platform, MTT ESports (focusing on the R&D and operation of Web3 infrastructure and Web3 games), BounceBit, a Web3 asset management platform, etc., with a view to complementing and supporting the development of our Web3 business and assisting the Group in the construction and development of blockchain-related technologies, products, services and integrated solutions in the Web3 business, and further facilitating the Group’s business development and deployment in the Web3 field.

In 2024, the Group obtained shareholders’ approval at the general meeting to grant further mandate for acquiring additional US\$100 million of cryptocurrency (i.e., mandates of a total of US\$200 million when aggregated with the grant of a mandate of US\$100 million approved by the shareholders at the general meeting in 2023). In 2024, the Group continued to expand its cryptocurrency reserves, mainly in Bitcoin (BTC). As at 31 December 2024, the Group held a total of approximately 3,274 units of BTC at an average cost of approximately US\$57,930 per unit and a total of approximately 298 units of ETH with an average cost of approximately US\$1,676 per unit. For the year ended 31 December 2024, the Group’s fair value gain from digital assets amounted to approximately RMB860 million and the value-added gains from the digital assets amounted to approximately RMB50 million.

During the year 2024, the Group utilised idle funds to bid for and acquire a property through judicial auction process at a total consideration of RMB56,271,992, including, amongst others, an office building known as Svotek Technology R&D Center\* (索泰克技術研發中心), its ancillary factory building and certain ancillary facilities (the “Property”). As the labour costs and daily operating costs are relatively lower in the location of the Property, the operations of the Company’s business in such location can reduce operating costs, while the rental income generated from the Property will diversify the income of the Company and will help preserve and increase the asset value of the Company.



## Management Discussion and Analysis

For the year ended 31 December 2024, the Board recommended the payment of a final dividend in the sum of approximately HK\$75,596,000, representing approximately HK\$0.1064 per ordinary share. The total amount of the final dividend comprises the sum of 20% of the Group's net operating profit<sup>(Note)</sup>, 5% of the increase in fair value of the digital assets acquired by the Group, and 5% of the value-added gains from the digital assets acquired by the Group for the year ended 31 December 2024.

In order to better align the dividend policy with the Group's strategies, the Board has, after careful consideration, reviewed and amended the current dividend policy. According to the newly amended dividend policy, over the next four years, the Company will pay dividends in an amount not less than 20% of the net operating profit per annum, while the value-added gains and fair value changes from the Company's digital assets will no longer be included in the calculation of dividends.

### Outlook for 2025

In 2025, under the influence of multiple technological changes, the online game industry will continue to be full of opportunities and challenges. For the emerging Web3 industry, we are of the view that its market size will continue to grow and mature. The Group is confident in its future development.

In 2025, we will adhere to the Company's development strategy since 2024 and continue to carry out the following tasks by leveraging on our experience:

- actively deploying Web3 strategy to build the Company into a pure and leading Web3 listed company;
- holding and continuously expanding cryptocurrency reserves in the long run, and will not exclude the possibility of raising funds in the secondary market by way of placing of shares and issuing bonds, etc.;
- continuously conducting R&D, project investment and incubation of Web3 projects, stepping up the development of Web3 game-related products and infrastructure, and continuing to identify suitable Web3-related projects for investment and incubation, with a view to promoting the Group's business development and deployment in the Web3 field;
- maintaining steady development of traditional online game business, constantly improving our game features and infrastructure, continually enriching the contents and gameplays of the games and focusing on the experience we provide to our users with an aim to enhance higher quality of services;
- continuously exploring and innovating the operation mode of domestic and overseas game products; and
- continuously researching and developing new competition game products to enhance and consolidate the loyalty of our players and striving to build the industry-leading Web3 game products and developing a century-old brand for Boyaa online card and board games.

*Note: Net operating profit was net cash generated from operating activities of online games businesses.*



## Management Discussion and Analysis

In 2024, we have been actively involved in the Web3 business deployment. In 2025, the Company will be committed to establishing itself as a pure and leading Web3 listed company. We will continue to expand its cryptocurrencies reserve for long-term holding. Meanwhile, we will ramp up R&D efforts for Web3 game products and related infrastructure and maintain steady development of traditional game business. Furthermore, we will continue to enrich contents and gameplays, and enhance game features and infrastructure (including Web3-related infrastructure), elevate user experience, exploring innovative operational models for game products, especially Web3 game products. Concurrently, we will prioritize product refinement and operational diversification to craft high-quality card and board game products, competition products, and industry-leading Web3 game products. On the basis of consolidating our existing market share, we will extend our reach into international markets and will vigorously promote the Group's business development and deployment in the Web3 field, in order to realise the Group's strategic plan for Web3 business development.

The Company will strictly comply with various laws and regulations in various jurisdictions that it has operations and be committed to developing and nurturing high-quality card and board game products and industry-leading Web3 game products. We will continue the journey to forge a century-old brand for Boyaa online card and board games.





# Management Discussion and Analysis

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Year Ended 31 December 2024 Compared to Year Ended 31 December 2023*

#### **Revenue**

Our revenue for the year ended 31 December 2024 amounted to approximately RMB456.9 million, representing an increase of approximately 15.8% from approximately RMB394.6 million recorded for the same period in 2023. The year-on-year increase was primarily due to the digital assets value-added gains recorded by the Group as a result of the cryptocurrency held by the Group and the increase in the Group's revenue generated from online games as a result of the Group's holding of certain online operational activities during the Reporting Period (e.g., increasing operation efforts of events and activities, planning multi-themed time-limited activities, and enhancing user engagement as well as the ecological value of in-game items) and continuous optimization of its game products and gameplay (e.g., optimizing the competition process, enhancing the participant experience, introducing spectator features and improving fairness and competitiveness). For the year ended 31 December 2024, revenue generated from our mobile games, web-based games and value-added gain from digital assets amounted to RMB289.5 million, RMB116.1 million and RMB51.2 million and accounted for approximately 63.4%, 25.4% and 11.2% of our total revenue, respectively, as compared with approximately 70.1%, 29.9% and nil, respectively, for the year ended 31 December 2023.

Our Group had generated revenue from added value from our digital assets. During the year ended 31 December 2023 and the year ended 31 December 2024, our Group had acquired certain cryptocurrencies pursuant to the two acquisition mandates (the “**Acquisition Mandates**”) granted by our shareholders at the extraordinary general meeting held on 22 December 2023 and the annual general meeting held on 19 April 2024, respectively, which authorised the purchase of cryptocurrencies in an aggregate amount of not exceeding US\$200 million (For details, please refer to the circulars of the Company dated 5 December 2023 and 28 March 2024, respectively). The purchase and holding of cryptocurrencies is expected to be the pivotal basis of and move for our Group's expansion and operation of Web3 games and pathing of its layout in the field of Web3 to achieve its continuous development. While our Group develops and operates Web3 games, the cryptocurrencies are mainly stored in our Group's accounts held at licensed platforms and the cryptocurrency wallet of our Group. Our Group would receive interests and rewards mainly by storing cryptocurrencies at the accounts of relevant licensed platforms and storing Ether at the cryptocurrency wallet of our Group as part of Ethereum network validation (a validation mechanism for the security and stability of Ethereum network). Such interests and rewards are recorded as digital assets value-added gain.

The receipt of the interests and rewards generated from cryptocurrencies as set out above do not constitute notifiable transactions or connected transactions of the Company under Chapter 14 and Chapter 14A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), respectively. Our management is of the view that, it is expected that the amount of cryptocurrency acquired by our Group will continue to increase in the future, and our Group is expected to generate such revenue in digital assets added value on an on-going basis while we are developing and operating our Web3 games in the future.

#### **Cost of revenue**

Our cost of revenue increased by approximately 1.2% from approximately RMB123.3 million for the year ended 31 December 2023 to approximately RMB124.7 million for the year ended 31 December 2024, primarily due to the increase in commission charges by platforms and third party payment vendors.



## Management Discussion and Analysis

### ***Gross profit and gross profit margin***

As a result of the foregoing, our gross profit increased by approximately 22.4% from approximately RMB271.3 million for the year ended 31 December 2023 to approximately RMB332.1 million for the year ended 31 December 2024, mainly attributable to the large amount of value-added gains of digital assets recorded with higher gross profit, which led to the significant increase in the overall gross profit.

For the years ended 31 December 2024 and 2023, our gross profit margin were approximately 72.7% and 68.8%, respectively.

### ***Selling and marketing expenses***

Our selling and marketing expenses decreased by approximately 15.9% from approximately RMB48.3 million for the year ended 31 December 2023 to approximately RMB40.6 million for the year ended 31 December 2024, accounting for approximately 8.9% of our revenue in 2024, which decreased from approximately 12.2% in 2023. The year-on-year decrease in selling and marketing expenses was attributable to our dynamical adjustment and optimisation of our advertising placement strategies during the actual implementation process due to the increasingly fierce market competition, leading to a year-on-year decrease in advertising and promotional expenses.

### ***Administrative expenses***

Our administrative expenses amounted to approximately RMB104.6 million for the year ended 31 December 2024, representing a year-on-year increase of approximately 5.8% from approximately RMB98.9 million recorded for the same period in 2023. The year-on-year increase was mainly attributable to the year-on-year increase in processing fee for the purchase of digital assets and the share-based compensation expenses included in administrative expenses.

### ***Other gains/(losses) – net***

For the year ended 31 December 2024, we recorded other gains, net of approximately RMB841.1 million, whereas we recorded the other losses, net of approximately RMB51.2 million for the same period in 2023. The change of position from other losses, net for the year ended 31 December 2023 to the other gains, net for the year ended 31 December 2024, was primarily due to the increase in fair value of digital assets held by the Group over the purchase cost for the year ended 31 December 2024, whereas there was no such effect for the same period in 2023. The other gains/(losses), net primarily consisted of fair value changes on digital assets, fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income, and government subsidies.

### ***Finance income – net***

Our net finance income was approximately RMB15.1 million in 2024 and we recorded a net finance income of approximately RMB55.6 million in 2023. The decrease was primarily due to the decrease in deposits as a result of the purchase of cryptocurrencies, which led to the decrease in interest income compared to the same period in 2023, while value-added gains of digital assets were recorded through purchased cryptocurrencies.



## Management Discussion and Analysis

### ***Share of result of associates***

We held investments in five associates, namely Shenzhen Fanhou Technology Co., Ltd.\* (深圳市飯後科技有限公司), Shenzhen HuifuWorld Network Technology Co., Ltd.\* (深圳市滙富天下網絡科技有限公司), Shenzhen Easething Technology Co., Ltd.\* (深圳市易新科技有限公司), Shenzhen Jisiwei Intelligent Technology Co., Ltd.\* (深圳市極思維智能科技有限公司), Shanghai Allin Network Technology Co., Ltd.\* (上海傲英網絡科技有限公司) and its subsidiaries as at 31 December 2024 (31 December 2023: five associates), all of which were online game or internet technology companies. We recorded a share of gain of associates of approximately RMB0.3 million for the year ended 31 December 2024, compared to a share of loss of associates of approximately RMB1.6 million recorded for the same period in 2023.

### ***Income tax expenses***

Our income tax expenses for the year ended 31 December 2024 was approximately RMB159.7 million, whereas we recorded income tax expenses of approximately RMB9.8 million for the same period of 2023. The substantial year-on-year increase was mainly due to the substantial increase in the fair value of digital assets, which led to the increase in deferred income tax expenses as compared to the same period in 2023.

### ***Profit attributable to owners of the Company***

As a result of the foregoing, profit attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately RMB883.8 million, representing an increase of 654.2% as compared to the profit attributable to owners of Company of approximately RMB117.2 million recorded for the same period of 2023, the year-on-year increase of which is mainly due to (i) the increase in the fair value of cryptocurrencies held by the Group over the purchase cost for the year ended 31 December 2024; (ii) the increase in the Group's revenue recorded for the year ended 31 December 2024 as compared to the same period in 2023; and (iii) the reduction in the decrease in the fair value of the Group's financial assets such as equity investment partnerships for the year ended 31 December 2024 as compared to the same period in 2023.

Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the profit attributable to owners of the Company for the year ended 31 December 2024 represented a year-on-year increase of approximately 14.5%, which was mainly due to the increase in revenue as compared to the same period in 2023.

\* For identification purpose only



## Management Discussion and Analysis

### ***Non-IFRS adjusted net profit***

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use unaudited non-IFRS adjusted net profit as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. The term “adjusted net profit” is not defined under IFRS. Other companies in the industry which the Group operates in may calculate such non-IFRS items differently from the Group. The use of adjusted net profit has material limitations as an analytical tool, as adjusted net profit does not include all items that impact our profit for the reporting period and should not be considered in isolation or as a substitute for the analysis of the Group’s results as reported under IFRS.

Our position of unaudited non-IFRS adjusted net profit for the year ended 31 December 2024 of approximately RMB886.3 million was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB2.6 million included in administrative expenses, as compared to our position of unaudited non-IFRS adjusted net profit for the year ended 31 December 2023 of approximately RMB118.9 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB1.8 million included in administrative expenses.

Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the Non-IFRS adjusted net profit for the year ended 31 December 2024 represented a year-on-year increase of approximately 14.8%, which was mainly due to the increase in revenue as compared to the same period in 2023.

### ***Fourth Quarter of 2024 Compared to Fourth Quarter of 2023***

#### ***Revenue***

Our revenue for the three months ended 31 December 2024 amounted to approximately RMB138.7 million, representing a year-on-year increase of approximately 38.3% from approximately RMB100.3 million recorded for the same period of 2023. The year-on-year increase was primarily due to the digital assets value-added gains recorded by the Group as a result of the cryptocurrency held by the Group. For the three months ended 31 December 2024, revenue generated from our mobile games, web-based games and value-added gain from digital assets accounted for approximately 52.8%, 19.4% and 27.8% of our total revenue, respectively, as compared with approximately 71.6%, 28.4% and nil, respectively, for the three months ended 31 December 2023.

#### ***Cost of revenue***

Our cost of revenue for the three months ended 31 December 2024 amounted to approximately RMB32.2 million, representing a year-on-year increase of approximately 17.7% from approximately RMB27.4 million recorded for the same period in 2023. The year-on-year increase was primarily due to the increase in commission charges by platforms and third party payment vendors.



## Management Discussion and Analysis

### ***Gross profit and gross profit margin***

As a result of the foregoing, our gross profit increased by approximately 46.1% from approximately RMB72.9 million for the three months ended 31 December 2023 to approximately RMB106.4 million for the three months ended 31 December 2024.

For the three months ended 31 December 2024 and 2023, our gross profit margin were approximately 76.7% and 72.7%, respectively.

### ***Selling and marketing expenses***

Our selling and marketing expenses increased from approximately RMB11.1 million recorded for the three months ended 31 December 2023 to approximately RMB12.6 million for the same period in 2024, representing a year-on-year increase of approximately 12.8%, which was mainly attributable to the increase in expenses incurred for advertising and promotional activities.

### ***Administrative expenses***

Our administrative expenses for the three months ended 31 December 2024 amounted to approximately RMB29.1 million, representing a year-on-year decrease of approximately 5.3% from approximately RMB30.7 million recorded for the same period in 2023. The year-on-year decrease was mainly due to the decrease in employee compensation and welfare expenses.

### ***Other gains/(losses) – net***

For the three months ended 31 December 2024, we recorded other gains, net of approximately RMB743.6 million, compared to other losses, net of approximately RMB16.3 million recorded for the same period in 2023. The change of position from other losses, net for the three months ended 31 December 2023 to the other gains, net for the three months ended 31 December 2024, was primarily due to the substantial increase in fair value of digital assets held by the Group for the three months ended 31 December 2024, whereas there was no such effect for the same period in 2023. The other gains/(losses), net primarily consisted of fair value changes on digital assets, fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income, and government subsidies.





## Management Discussion and Analysis

### ***Finance income – net***

Our net finance income for the three months ended 31 December 2024 was approximately RMB1.7 million, whereas we recorded a net finance income of approximately RMB15.0 million in 2023. The year-on-year decrease was primarily due to the decrease in deposits as a result of the purchase of cryptocurrencies, which led to the decrease in interest income compared to the same period in 2023, while value-added gains of digital assets were recorded through purchased cryptocurrencies.

### ***Share of result of associates***

We held investments in five associates, namely Shenzhen Fanhou Technology Co., Ltd.\* (深圳市飯後科技有限公司), Shenzhen HuifuWorld Network Technology Co., Ltd.\* (深圳市匯富天下網絡科技有限公司), Shenzhen Easething Technology Co., Ltd.\* (深圳市易新科技有限公司), Shenzhen Jisiwei Intelligent Technology Co., Ltd.\* (深圳市極思維智能科技有限公司), and Shanghai Allin Network Technology Co., Ltd.\* (上海傲英網絡科技有限公司) and its subsidiaries as at 31 December 2024 (31 December 2023: five associates), all of which were online game or internet technology companies. We recorded a share of gain of associates of approximately RMB0.1 million for the three months ended 31 December 2024, compared to a share of loss of associates of approximately RMB0.5 million recorded for the same period in 2023.

### ***Income tax (expenses)/credit***

Our income tax expenses for the three months ended 31 December 2024 was approximately RMB138.7 million, whereas we recorded income tax credit of approximately RMB2.9 million for the same period of 2023. The substantial year-on-year increase was mainly due to the increase in the fair value of digital assets, which led to the increase in deferred income tax expenses as compared to the same period in 2023.

### ***Profit attributable to owners of the Company***

As a result of the foregoing, our profit attributable to owners of the Company for the three months ended 31 December 2024 amounted to approximately RMB671.5 million, increased by approximately 1,995.0% from approximately RMB32.1 million for the same period of 2023, representing a year-on-year increase mainly due to (i) the increase in the fair value of cryptocurrencies held by the Group over the purchase cost for the three months ended 31 December 2024 compared to the fair value of cryptocurrencies held by the Group over the purchase cost for the three months ended 30 September 2024, whereas there was no effect of changes in the fair value of digital assets for the same period in 2023; and (ii) the increase in the Group's revenue recorded for the three months ended 31 December 2024 as compared to the same period in 2023.

Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the profit attributable to owners of the Company for the three months ended 31 December 2024 represented a year-on-year increase of approximately 46.0%, which was mainly due to the increase in revenue as compared to the same period in 2023.

\* For identification purpose only



## Management Discussion and Analysis

### ***Non-IFRS Measure – Adjusted net profit***

For the three months ended 31 December 2024, our unaudited non-IFRS adjusted net profit was approximately RMB670.0 million, which was derived from our unaudited profit of the same period excluding share-based compensation credit of approximately RMB1.5 million included in administrative expense, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 31 December 2023 of approximately RMB31.9 million, which was derived from our unaudited profit of the same period excluding share-based compensation expenses of approximately RMB0.2 million included in administrative expense.

Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 31 December 2024 represented a year-on-year increase of approximately 43.3%, which was mainly due to the increase in revenue as compared to the same period in 2023.

### ***Liquidity and capital resources***

For the year ended 31 December 2024, we generated sufficient cash through our operating activities to satisfy our capital needs for our business operations. We intend to provide financial support to our expansion, investment and business operations by internal resources and through organic and sustainable growth. We will make investments in line with our capital and investment management policies and strategies.

### ***Gearing ratio***

As at 31 December 2024, the Group's gearing ratio (total liabilities divided by total assets) was 16.9% (31 December 2023: 17.1%).

### ***BTC Yield***

To supplement the performance of the Bitcoin acquired by our Group, we are following the industry best practice pioneered by MicroStrategy Inc. (a company listed on NASDAQ, stock code: MSTR), and adopt "BTC Yield" as a Key Performance Indicator (KPI). BTC Yield is a KPI that represents the percentage change period-to-period of the ratio between the number of Bitcoin held by our Group and our total number of issued shares.

The Company uses BTC Yield as a KPI to help assess the performance of its strategy of acquiring Bitcoin in a manner the Company believes is accretive to its shareholders. When the Company uses this KPI, management also takes into account the various limitations of this metric, including that it does not take into account debt and other liabilities, etc.

**Additionally, this KPI is not, and should not be understood as, an operating performance measure or a financial or liquidity measure. In particular, BTC Yield is not equivalent to "yield" in the traditional financial context. It is not a measure of the return on investment the Company's shareholders may have achieved historically or can achieve in the future by purchasing shares of the Company, or a measure of income generated by the Company's operations or its Bitcoin holdings, or any other similar financial measure of the performance of its business or assets.**



## Management Discussion and Analysis

For the three months ended 31 December 2024, the Company's BTC Yield was 24.1%. For the year ended 31 December 2024, the Company's BTC Yield was 65,324.0%.

BTC Yield and total number of issued shares:

	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
Total Bitcoin held	5	1,194	2,079	2,635	3,274
Total number of issued shares	709,576,301	709,576,301	709,576,301	709,576,301*	710,183,730*
Bitcoin per 10,000 shares	0.0001	0.0168	0.0293	0.0371	0.0461
BTC Yield % (quarter-to-quarter)		23,780.0%	74.1%	26.7%	24.1%
BTC Yield % (12/31/2024 compared to 12/31/2023)					65,324.0%

\* According to the numbers of issued shares as at the relevant dates as stated in the monthly returns on movement in securities of the Company.

### Digital assets

Since the year ended 31 December 2023, the Group commenced the purchase of cryptocurrencies. Purchase and holding of cryptocurrencies is a pivotal move for the Group to path its layout and development of Web3 business, and continuous expansion of BTC reserves is an important strategy of the Group.

On 22 December 2023, the Board was granted an acquisition mandate from the shareholders of the Company under the extraordinary general meeting held to conduct acquisitions of cryptocurrencies in an aggregate amount not exceeding US\$100 million in open market transactions which the Company shall use approximately US\$45 million to acquire each of Bitcoin (BTC) and Ether (ETH) and the remainder of not more than US\$10 million will be used to purchase Tether USD (USDT) and USD Coin (USDC). For details, please refer to the announcement of the Company dated 13 November 2023, the circular of the Company dated 5 December 2023 and the poll results announcement of the Company dated 22 December 2023.

On 19 April 2024, the Board was granted another acquisition mandate from the shareholders of the Company under the annual general meeting held to further conduct acquisitions of cryptocurrencies in an aggregate amount not exceeding US\$100 million in open market transaction, and the cryptocurrencies purchased will consist of BTC and ETH. For details, please refer to the announcement of the Company dated 8 March 2024, the circular of the Company dated 28 March 2024 and the poll results announcement of the Company dated 19 April 2024.

As at 31 December 2024, the fair value of digital assets amounted to approximately RMB2,360.0 million (31 December 2023: approximately RMB78.6 million), which mainly consisted of BTC and USDT. The fair value measurement of digital assets were determined based on their quoted prices in open market. For the year ended 31 December 2024, we recorded fair value gains on digital assets of approximately RMB864.7 million (fair value gains for the year ended 31 December 2023: approximately RMB0.9 million).



## Management Discussion and Analysis

As at 31 December 2024, the Group held approximately 3,274 units of BTC with an average cost of approximately US\$57,930 per unit and approximately 298 units of ETH with an average cost of approximately US\$1,676 per unit.

As at the date of this report, the Group held approximately 3,351 units of BTC with an average cost of approximately US\$58,628 per unit and approximately 295 units of ETH with an average cost of approximately US\$1,661 per unit.

Up to the date of this report, other than BTC, ETH and USDT, the Group also held ATOM and BNB. Cosmos is a blockchain public chain network with development potential. ATOM, as the core governance token of the Cosmos public chain network, was purchased by the Company with the aim of laying out the Web3 business ecosystem in Cosmos public chain network, strengthening the Company's competitiveness in the Web3 field and laying a solid foundation for future technological innovation and market expansion. BNB is the cryptocurrency that supports the entire BNB Chain ecosystem, which can be used as a transaction fee on the Binance cryptocurrency exchange and to participate in the activities of the Binance cryptocurrency exchange. It is one of the most popular utility tokens in the world. As at the date of this report, the Group had purchased ATOM and BNB with a total amount of approximately US\$2.58 million.

The Group has established a specialized virtual asset management and risk control department, responsible for establishing relevant policies and systems for cryptocurrency trading and management, monitoring and analyzing the cryptocurrency market and cryptocurrency price, overseeing the standardization and security of all cryptocurrency trading applications, approvals, operations, storage management, transaction reporting, and other processes, and evaluating and reviewing the reasonableness, appropriateness and security of the price range, number and type of cryptocurrencies and timing of each proposed cryptocurrency transaction. The Group will strictly comply with the relevant policies and regulations of the Hong Kong Government on the regulation of cryptocurrencies, and strictly follow the Group's policies and rules on the purchase, use, and management of cryptocurrencies.

The aforementioned data in relation to the fair value of the digital assets for the year ended 31 December 2024 is recorded based on the market price of the relevant cryptocurrencies as at 31 December 2024. The price of cryptocurrencies may show real time fluctuations, and the impact of the fair value of digital assets on the financial performance of the Company may vary accordingly. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

### ***Term deposits***

As at 31 December 2024, we had term deposits of approximately RMB209.5 million (31 December 2023: approximately RMB732.4 million), which were mainly denominated in Renminbi ("RMB"). The original maturities of the term deposits are over three months and less than three years. The effective interest rate for the term deposits of the Group for the year ended 31 December 2024 was 2.7%.



## Management Discussion and Analysis

### ***Cash and cash equivalents***

As at 31 December 2024, we had cash and cash equivalents of approximately RMB128.4 million (31 December 2023: approximately RMB744.3 million), which primarily consisted of cash at bank and in hand and short-term bank deposits, which were mainly denominated in Renminbi (as to 17.3%), USD (as to 53.4%) and other currencies (as to 29.3%). We currently do not hedge transactions undertaken in foreign currencies or use any financial instruments for hedging purposes. Due to our persistent efforts in managing exposure to foreign currency risks, fluctuations in currency exchange rates do not have any material adverse impact on our financial results.

### ***Equity investments at fair value through other comprehensive income***

We accounted for equity investments at fair values through other comprehensive income at their respective fair values. As at 31 December 2024, we had only one unlisted investment, the fair value of which amounted to approximately nil, while as at 31 December 2023, the fair value of equity investments at fair values through other comprehensive income amounted to approximately RMB10.5 million. These equity investments at fair value through other comprehensive income mainly consisted of both listed and unlisted equity securities.

During the year ended 31 December 2024, we have disposed of all of the shares in Xiaomi Corporation, a listed company on the Hong Kong Stock Exchange (stock code: 1810), on the open market. The proceeds of the disposed shares will be utilized for the Group's business operations.

We consider that, none of the other listed and unlisted investments classified as equity investments at fair value through other comprehensive income in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 31 December 2024.

### ***Investments at fair value through profit or loss***

As at 31 December 2024, we also recorded investments at fair value through profit or loss amounted to approximately RMB89.3 million (31 December 2023: approximately RMB208.5 million), which mainly consisted of non-quoted investments in equity investment partnerships and funds. As at 31 December 2024, the fair values of the investments in equity investment partnerships were determined by an independent professional valuer engaged by the Company using market approach and discount cash flows model; and the fair values of the funds were determined by an independent professional valuer engaged by the Company using market approach and discount cash flows model. For the year ended 31 December 2024, we recorded fair value losses on investments at fair value through profit or loss of approximately RMB47.9 million (fair value losses for the year ended 31 December 2023: approximately RMB55.9 million).





## Management Discussion and Analysis

The investments at fair value through profit or loss were made in line with our treasury and investment policies, after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. The Company has dedicated investment department and investment project management team to conduct, oversee and manage its investment activities. The Company has established specialized investment management policies and risk management systems to safeguard and improve its investment practices and control the investment risks. Prior to making an investment, the Company had also ensured that there remains sufficient working capital for the Company's business needs even after the investments. During the year ended 31 December 2024, save the acquisition mandates of cryptocurrencies disclosed in the paragraph headed "Digital assets" above, each of the investments made by the Company does not constitute a notifiable transaction or a connected transaction of the Company under the Listing Rules.

On 28 December 2016, the Group, through Shenzhen Dong Fang Bo Ya Technology Co., Limited\* (深圳市東方博雅科技有限公司), established a limited partnership namely Jiaying Boyaa ChunLei Equity Investments Limited Partnership Enterprise\* (嘉興博雅春雷股權投資合夥企業(有限合夥)) ("**Jiaying Boyaa**") with Shanghai Tailai Tianji Asset Management Co., Limited\* (上海泰來天濟資產管理有限公司). During the year ended 31 December 2024, the Group's accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaying Boyaa. The fair value of the investment in Jiaying Boyaa as at 31 December 2024 was zero (as at 31 December 2023: approximately RMB3.3 million). Jiaying Boyaa was established for carrying out equity investments, venture capital investments and investments in securities, subject to certain investment restrictions. The partnership term of Jiaying Boyaa had expired during the year 2024, and after continuing close monitoring of its performance, based on the investment policy and strategies of the Company and for the protection of the interests of the Company and its shareholders, the Company had decided to terminate Jiaying Boyaa's operation. As at 31 December 2024, Jiaying Boyaa was undergoing liquidation process. The Company has designated representative to participate in the liquidation team and is conducting the liquidation in accordance with the Company's relevant procedures.

We consider that, save as disclosed above, no other single investment that was designated as investments at fair value through profit or loss in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 31 December 2024.

### **Investment properties**

As at 31 December 2024, we also recorded investment properties amounted to approximately RMB58.6 million (31 December 2023: nil), representing less than 5% of the total assets of the Group as at 31 December 2024. The investment properties include, amongst others, an office building known as Svotek Technology R&D Center\* (索泰克技術研發中心), its ancillary factory building and certain ancillary facilities, and was acquired through the Judicial Auction Process. For details, please refer to the announcement of the Company dated 4 September 2024. As at 31 December 2024, the value of the investment properties were determined by an independent professional valuer engaged by the Company using market approach, and no provision for impairment was required.

\* For identification purpose only



## Management Discussion and Analysis

### ***Borrowings***

During the year ended 31 December 2024, we did not have any short-term or long-term bank borrowings and we had no outstanding, utilised or unutilised banking facilities.

### ***Capital expenditures***

For the year ended 31 December 2024, our total capital expenditures amounted to approximately RMB63.6 million (for the year ended 31 December 2023: approximately RMB10.3 million). The capital expenditure mainly included purchasing properties, equipment and leasehold improvements, which was funded by using our cash flows generated from our operations.

### ***Commitments***

As at 31 December 2024, the Group did not have any significant commitments.

### ***Contingent liabilities and guarantees***

As at 31 December 2024, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against us.

### ***Significant investments and future plans for major investments***

During the year ended 31 December 2024, the Group's accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaxing Boyaa. Jiaxing Boyaa mainly carries out equity investments and venture capital investments. As at 31 December 2024, the fair value of the investment in Jiaxing Boyaa was zero (as at 31 December 2023: approximately RMB3.3 million). As at 31 December 2024, Jiaxing Boyaa was undergoing liquidation process. For details, please refer to the section of this report headed "Investments at fair value through profit or loss".

On 4 September 2024, it has come to the Company's knowledge that an indirect wholly-owned subsidiary of the Company had won and completed the bid for the acquisition of the Property, including, amongst others, an office building known as Svotek Technology R&D Center\* (索泰克技術研發中心), its ancillary factory building and certain ancillary facilities, through a judicial auction process at a total consideration of RMB56,271,992. The Property was recorded as investment properties of the Company. As at 31 December 2024, the Property recorded cost value of investment properties of approximately RMB58.6 million, representing less than 5% of the total assets of the Group as at 31 December 2024. For details, please refer to the announcement of the Company dated 4 September 2024.

\* For identification purpose only



## Management Discussion and Analysis

In the future, the Group will continue to identify new investment opportunities for business development. For the year ending 31 December 2025, the Company plans to continuously expand its cryptocurrency reserves, explore to increase the amount of Bitcoin holdings on an ongoing basis, and will not rule out secondary market financing in the form of share placements and bond issues, etc. to expand reserves. Meanwhile, the Company plans to continue to identify suitable Web3-related projects for investment and incubation, in order to supplement and support the development of the Group's Web3 business, and to facilitate the Group's business development and deployment in the Web3 field. Save as disclosed above, the Group has not executed any agreement in respect of material acquisitions, investments or capital asset and does not have any other future plans relating to material acquisitions, investments or capital asset as at the date of this report. If any potential investment opportunity arises in the future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

### ***Pledge/charge of the Group's assets***

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

### ***Employees and staff costs***

As at 31 December 2024, we had a total of 222 employees. In particular, 174 employees are responsible for our game development and operation, 36 for game support and 12 for administration and senior management.

We organise and launch various training programs on a regular basis for our employees to enhance their knowledge and skills of online game development and operation, improve time management and internal communications and strengthen team bonds. We also provide various incentives, including share-based awards, such as share options and restricted share units ("RSUs") granted pursuant to the share incentive schemes of the Company, and performance-based bonuses to better motivate our employees. As required by PRC laws and regulations, we have also made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance, and to mandatory housing accumulation funds, for or on behalf of our employees.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the retirement benefit scheme.



## Management Discussion and Analysis

For the year ended 31 December 2024, the total staff costs of the Group (including salaries, bonuses, social insurances, housing provident funds and share incentive schemes) amounted to approximately RMB80.7 million, representing approximately 29.9% of the total expenses of the Group. Pursuant to the post-IPO share option scheme adopted by the Company in October 2013 (the **"Post-IPO Share Option Scheme"**), the pre-IPO share option scheme adopted by the Company in January 2011 and amended in September 2013 (the **"Pre-IPO Share Option Scheme"**) and the share option scheme adopted by the shareholders of the Company at the annual general meeting of the Company on 19 April 2024 (the **"2024 Share Option Scheme"**) as well as the RSU schemes adopted by the Company in September 2013 (the **"2013 RSU Scheme"**), July 2021 (the **"2021 RSU Scheme"**) and March 2024 (the **"2024 RSU Scheme"**), together with the 2013 RSU Scheme and 2021 RSU Scheme, the **"RSU Schemes"**), there were a total of 820,000 share options and 1,345,000 shares underlying the RSUs outstanding and/or granted to a total of 17 senior management members and employees of the Group as at 31 December 2024. As at 31 December 2024, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme (the **"Share Option Schemes"**) had expired and the 2013 RSU Scheme and the 2021 RSU Scheme (the **"Terminated RSU Schemes"**) had been terminated by the Company on 3 March 2021 and 28 March 2024, respectively.

After the expiration of the Share Option Schemes and the termination of Terminated RSU Schemes, no further options or RSUs will be granted under the relevant schemes but the provisions of the Share Option Schemes and the Terminated RSU Schemes shall remain in full force and effect to the extent necessary to give effect to the exercise of any options or RSUs granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Schemes and the Terminated RSU Schemes, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Schemes and the Terminated RSU Schemes. There were also 39,644,660 shares underlying the RSUs allowed to be granted under the 2024 RSU Scheme which were held by Core Administration RSU Limited as nominee for the benefit of eligible participants pursuant to the 2024 RSU Scheme. Further details of the Share Option Schemes, the 2024 Share Option Scheme and the RSU Schemes are set out in the section headed **"Share Option Schemes and Restricted Share Unit Schemes"** under the Directors' Report in this annual report.



## Biographies of the Directors and Senior Management

### DIRECTORS

#### *Executive Directors*

**Mr. Dai Zhikang (戴志康)**, aged 43, joined the Board as an executive Director on 19 August 2013 and appointed as chairman of the Board on 21 September 2018. Mr. Dai has served as a director of Shenzhen Dong Fang Bo Ya Technology Co., Limited ("**Boyaa Shenzhen**") since January 2008. Mr. Dai served as the general manager of Beijing Comsenz Innovation Technology Co., LLC\* (北京康盛新創科技有限責任公司) from October 2010 to March 2014 and was responsible for its overall strategic planning and general management. Mr. Dai founded Beijing Comsenz Century Technology Co., Ltd\* (北京康盛世紀科技有限公司) in 2004 and served as its chairman since inception until 2006. Mr. Dai also served as one of the persons-in-charge of Comsenz (Beijing) Networking Corporation Limited\* (康盛創想(北京)科技有限公司) from 2006 to 2010. Mr. Dai invested in Beijing Huobi Global Network Technology Co., Ltd.\* (北京火幣天下網絡技術有限公司) (the predecessor of HTX(火必交易平臺)) in 2014. Mr. Dai has in-depth research and thinking on blockchain and Web3 related technologies, and has profound insights and rich experience in Web3 industry development and related business management. Mr. Dai received his bachelor's degree in communications engineering from Harbin Engineering University in June 2004.

**Ms. Tao Ying (陶穎)**, aged 44, joined the Board as an executive Director on 21 September 2018. She was also appointed as the joint company secretary of the Company on 11 September 2023. Before her appointment as an executive Director, Ms. Tao was the person-in-charge of the compliance department of the Group, and was primarily responsible for the handling of the listing compliance issues of the Group, discharging the duties and responsibilities of company secretary, and participating in the internal control, finance, investor relations, and investment project management of the Group. Ms. Tao has served as a director of Boyaa Shenzhen since November 2018. Ms. Tao has also served as the legal representative, executive director and general manager of Shenzhen Erlulu Technology Company Limited (深圳市貳陸陸科技有限公司) since November 2018. Ms. Tao has served as a director of JIUHO PTE. LTD since November 2020. Ms. Tao has also served as the legal representative, executive director and the general manager of Shenzhen Jiaxun Zhichuang Technology Co., LTD (深圳市嘉訊智創科技有限公司) since October 2022. Ms. Tao joined the Company in December 2013 and has worked in the Company for over eleven years. She has over thirteen years of company management experience. Ms. Tao graduated from Anhui University of Finance and Economics in July 2003, with a bachelor's degree in economics in international economics and trade, and also obtained a certificate of graduation with a minor in accountancy from Anhui University of Finance and Economics. Ms. Tao obtained the Second Level National Certificate of Human Resources Management issued by the Ministry of Human Resources and Social Security, the People's Republic of China in June 2011.

#### *Independent Non-executive Directors*

**Mr. Cheung Ngai Lam (張毅林)**, aged 56, joined the Board as an independent non-executive Director on 25 October 2013. From 25 January 2016 to 31 January 2019, Mr. Cheung acted as an independent non-executive director of Asia Television Holding Limited (HKEx Stock Code: 707) and from 1 June 2020 to 17 June 2021, Mr. Cheung acted as an independent non-executive director of Guoan International Limited (HKEx Stock Code: 143) (delisted). Mr. Cheung was also appointed as an independent non-executive director of New Provenance Everlasting Holdings Limited (HKEx Stock Code: 2326) on 1 February 2020, and China Development Bank International Investment Limited (HKEx Stock Code: 1062) on 28 January 2021. Mr. Cheung was appointed as an executive Director of Silk Road Logistics Holdings Limited (HKEx Stock Code: 988) (delisted) from 4 June 2021 to 23 April 2024. Mr. Cheung was the chief financial officer of China Zenix Auto International Limited (OTC Stock Code: ZXAIY) (delisted) until 28 February 2022. Mr. Cheung is a member of the American Institute of Certified Public Accountants and is a Certified Practicing Accountant of Australia. Mr. Cheung obtained a bachelor's degree in social sciences from the University of Hong Kong in November 1991 and a master of science (investment management) degree in finance from the Hong Kong University of Science and Technology in November 2002.

\* For identification purpose only





## Biographies of the Directors and Senior Management

**Mr. Choi Hon Keung Simon (蔡漢強)**, aged 64, joined the Board as an independent non-executive Director on 25 October 2013. Mr. Choi was appointed as an independent non-executive director of China Wan Tong Yuan (Holdings) Limited (HKEX Stock Code: 6966) and a member of each of its audit committee and nomination committee on 7 September 2017. Mr. Choi served as a non-executive director and the chairman of the audit committee of Nocturne Acquisition Corporation (NASDAQ Stock Code: MBTCU) (delisted) from 16 December 2021 to 26 April 2024. From 2 June 2021 to 15 June 2022, Mr. Choi served as an executive director of Imperium Financial Group Limited (formerly known as Sun International Group Limited, HKEX Stock code: 8029). Mr. Choi has also been an active Honorary Legal Counsellor to the Hong Kong Electrical Appliances Industries Association since 2016. Mr. Choi joined TCL Multimedia Technology Holdings Limited (currently known as “TCL Electronics Holdings Limited”), a global TV manufacturer (HKEX Stock Code: 1070) in 2005 and served as the deputy general counsel from 2011 to 2014. Mr. Choi possesses expertise in blockchain laws and regulations in various jurisdictions. He is a highly experienced ICO (Initial Coin Offering) advisor, and an internationally renowned figure in the blockchain community. Mr. Choi has provided legal advice for numerous ICO projects and over 30 blockchain funding projects worldwide. Mr. Choi currently serves as the legal advisor for Bitnordex Exchange in Northern Europe. Mr. Choi serves as the Chief Legal Officer at the Asian Blockchain Society and World Crypto Organization. Mr. Choi obtained a bachelor’s degree in laws from Peking University in July 1991, a master’s degree in laws from University of London in November 1992 and a Common Profession Examination Certificate in laws from the University of Hong Kong in June 1994. Mr. Choi was admitted as a Solicitor of the Supreme Court of England and Wales in 1998, a Solicitor of the High Court of Hong Kong in 1997 and a member of the Institute of Linguists in 1996.

**Mr. Ma Jingchun (馬靖淳)**, aged 36, has been appointed as an independent non-executive Director, of the Company with effect from 19 April 2024. Mr. Ma has approximately eleven years of relevant experience in financial analysis and management. From September 2014 to September 2017, Mr. Ma worked in Shenzhen Branch of China Merchants Bank Co., Ltd. (Shanghai Stock Exchange Stock Code: 600036) (HKEX Stock Code: 03968), where he was responsible for inter-bank financing and the management of retail financing. From October 2017 to December 2022, Mr. Ma served as a team manager of corporate banking for business units in Shenzhen Branch of Bank of Shanghai Co., Ltd. (Shanghai Stock Exchange Stock Code: 601229), where he was responsible for financial analysis and financing management of large and medium-sized enterprises. From December 2022 to June 2023, Mr. Ma served as the team head of credit products of retail financing in Shenzhen Branch of Shanghai Pudong Development Bank Co., Ltd. (Shanghai Stock Exchange Stock Code: 600000), where he was responsible for financial analysis and credit management of retail financing. Mr. Ma worked as a provincial analyst of finance related business in Far East Horizon Limited (HKEX Stock Code: 03360) (the “**Far East Horizon**”) and its subsidiaries from July 2023 to April 2024 and was responsible for the the team’s financial analysis and related business management. Mr. Ma has served a number of companies related to the Web3 industry and provided corporate finance and financial consulting and related guidance. Mr. Ma has been the assistant to general manager of Business Division III at the Shenzhen Branch of Guangdong Nanyue Bank Co., Ltd. (廣東南粵銀行股份有限公司) since May 2024, where he is mainly responsible for the development of large and medium-sized enterprises clients in Shenzhen and the management of related financial business. Mr. Ma obtained a bachelor’s degree in economics majoring in finance from Wuhan College of Zhongnan University of Economics and Law and a master’s degree in law majoring in fundamental principles of Marxism from Zhongnan University of Economics and Law in June 2011 and June 2014, respectively.

\* For identification purpose only



## Directors' Report

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

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the development and operations of online card and board games, and the Group will be committed to promoting and developing Web3 game related business and building the Company into a pure and leading Web3 listed company.

### BUSINESS REVIEW

A fair review of the Group's business and the Group's likely future developments are set out in the section headed "Management Discussion and Analysis – Business Overview and Outlook" of this annual report. There is no important event affecting the Group that has occurred since 31 December 2024 and up to the date of this annual report.

A detailed analysis of the business performance of the Group for 2024 is set out in the section headed "Management Discussion and Analysis" of this annual report and the KPIs of the Group are set out in the table below:

	For the three months ended		
	31 December 2024 (unaudited)	31 December 2023 (unaudited)	Year-on-Year Change* %
Paying Players (in thousands)	201	206	(2.4)
• Web-based games	2	3	(33.3)
• Mobile games	199	203	(2.0)
DAUs (in thousands)**	1,201	1,130	6.3
• Web-based games	128	77	66.2
• Mobile games	1,073	1,053	1.9
MAUs (in thousands)**	4,151	3,940	5.4
• Web-based games	301	339	(11.2)
• Mobile games	3,850	3,601	6.9
ARPPU of Texas Hold'em (in RMB)			
• Web-based games	4,492.0	4,747.7	(5.4)
• Mobile games	230.8	207.2	11.4
ARPPU of Other Card and Board (in RMB)***			
• Web-based games	0.3	0.3	–
• Mobile games	76.7	83.0	(7.6)



## Directors' Report

- \* *Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.*
- \*\* *The numbers of DAUs and MAUs shown above are calculated based on the number of active users in the last calendar month of the relevant reporting period.*
- \*\*\* *The categories of "Fight the landlord" and "Other Games" set out in the previous annual report is combined and referred to as "Other Card and Board" above.*

The size of the Group's player base reflects the popularity of the Group's games and the basis for a sustainable growth. The Group measures its player base primarily by DAUs and MAUs. The number of paying players and ARPPU in a specific period are the two most direct factors that affect revenue generated from our online games in such period. Discussion on the trend of the above KPIs is set out in the section headed "Management Discussion and Analysis – Business Overview and Outlook" of this annual report.

The review and discussions included in the section headed "Management Discussion and Analysis" form part of this Directors' Report.

### **Principal Risks and Uncertainties**

The Group faces the following principal risks and uncertainties in its operations:

- (a) the major products of the Group, *Texas Hold'em Series*, accounted for over 50% of the revenue in the past, and any failure to maintain or enhance the performance of these games or other adverse development affecting these games could adversely affect the business and results of operations of the Group;
- (b) the Group may not be able to continuously enhance its existing games and player experience and launch high-quality new games and services, which will materially and adversely affect its ability to continue to retain existing players and attract new players;
- (c) the Group utilises major social networking websites, online application stores and third-party payment vendors to generate a substantial portion of revenues and if the Group is unable to maintain a good relationship with these distribution and payment channels or if the use of these distribution or payment channels is adversely affected by any factor such as new measures imposed or intervention by any regulators or third parties, the business and results of operations of the Group will be adversely affected;
- (d) the Group relies on the Contractual Arrangements (as defined hereinafter) to control and obtain the economic benefits from Boyaa Shenzhen which may not be as effective in providing operational control as direct ownership;
- (e) if the PRC government finds the Contractual Arrangements established for operating the online game businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in the variable interest entity, being Boyaa Shenzhen;
- (f) there is no assurance that a cryptocurrency will maintain its long term value and the volatility on the market price of cryptocurrency may adversely affect our crypto-currencies investment, business and result of operations;



## Directors' Report

- (g) there are uncertainties about the interpretation of PRC laws and regulations relating to contractual arrangements. On 15 March 2019, the Foreign Investment Law of the People's Republic of China ("**Foreign Investment Law 2019**") was adopted by the Second Session of the Thirteenth National People's Congress of the People's Republic of China and had taken effect on 1 January 2020. Foreign Investment Law 2019 replaced the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures, the Law of the People's Republic of China on Sino-Foreign Cooperative Joint Ventures and the Law of the People's Republic of China on Foreign-funded Enterprises (collectively referred to as the "**Former Foreign Investment Law**"). On 26 December 2019, the State Council promulgated the Regulations on the Implementation of Foreign Investment Law of the People's Republic of China ("**the Regulations on the Implementation of Foreign Investment Law**"), which became effective on 1 January 2020 and replaced the Regulations on the Implementation of the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures, the Interim Regulations on the Term of Sino-foreign Equity Joint Ventures, Detailed Rules for the Implementation of the Law of the People's Republic of China on Foreign-funded Enterprises and Detailed Rules for the Implementation of the Law of the People's Republic of China on Sino-Foreign Cooperative Joint Ventures. According to Foreign Investment Law 2019 and the Regulations on the Implementation of the Foreign Investment Law, the existing foreign-funded enterprises established under the Former Foreign Investment Law before the effective date of the Foreign Investment Law 2019 may adjust their existing organizational form or structure, and go through relevant procedures for change of registration in accordance with relevant laws such as the Company Law of the People's Republic of China and the Partnership Enterprise Law of the People's Republic of China, or maintain the original organizational form or structure within five years from the effective date of the Foreign Investment Law 2019.

The Foreign Investment Law 2019 stipulates four forms of foreign investment. However, the Foreign Investment Law 2019 does not specify the form of the contractual arrangements for foreign investment. Since the means of foreign investment stipulated in the Foreign Investment Law 2019 include "investment in accordance with laws, administrative regulations or other means stipulated by the State Council", it cannot be ruled out that the future laws, administrative regulations and the provisions of the State Council may stipulate contractual arrangements as one of the means of foreign investment. Whether the contractual arrangement will be identified as foreign investment in the future or whether it will be regarded as a violation of the requirements for foreign investment access, there are still some uncertainties and the Company may bear significant compliance costs in the future;



## Directors' Report

- (h) Complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may force the Group to make adverse changes to its business. Different regulatory bodies in PRC have issued laws and regulations regarding cybersecurity, information security, privacy and data protection with various standards and applications, including but not limited to: (i) the Regulations on Administration of Cyber Data Security (effective from 1 January 2025), which stipulates that data operators which carry out data processing activities that affect or may affect national security shall apply for cyber security review according to the relevant regulations of the State; (ii) the Cybersecurity Review Measures (effective from 15 February 2022), which stipulates that network platform operators which carry out data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office (網絡安全審查辦公室), where there are still uncertainties regarding the interpretation and application of such review measures; (iii) the Administrative Provisions on Algorithm Recommendation of Internet Information Services (effective from 1 March 2022); and (iv) the Administrative Provisions on Mobile Internet Application Information Services (effective from 1 August 2022), which stipulates that application providers which carry out application data processing activities shall fulfill the data security protection obligations, but shall not jeopardized national security and public interests or shall not damage the legitimate rights and interests of others;
- (i) If future laws and regulations require that existing domestic enterprises that have been listed overseas, directly or indirectly, shall file with the China Securities Regulatory Commission (the “CSRC”), the Group may be required to obtain approval from and/or meet other requirements of the CSRC or other PRC government authorities, and it is uncertain whether this will result in significant compliance costs for the Group in the future; and
- (j) facing challenges presented by the extensive law and regulation of various aspects of online game business in the PRC and overseas markets and there is no assurance that such relevant laws and regulations would not apply to the Group or be interpreted in ways that could affect the Group's business.

The Group mainly adopted the following measures to manage its aforementioned major risk areas:

- manage the Group's growing size and expanding business, including controlling costs, establishing sufficient internal controls, attracting and retaining talent as well as maintaining corporate culture;
- continue to offer new and high-quality games, upgrade existing games to attract and retain players as well as increase player activity level and monetisation;
- maintain and expand the Group's game distribution platforms to deepen penetration in existing markets and expand into new markets within and outside of the PRC;
- maintain close contact with the relevant PRC regulatory authorities and engaging external PRC legal advisers to assist in reviewing the implementation and compliance of the Contractual Arrangements, and ensure sound and effective operation of the Group in compliance with the Contractual Arrangements and applicable laws and regulations; and to deal with specific problems or issues arising from the Contractual Arrangements if required;
- adopt internal procedures to ensure regulatory compliance of the Group's business operations in both China and overseas markets. The Group's in-house legal department keep abreast of the regulatory environment and developments in local laws and regulations to support the Group's business expansion in its existing and future target markets, and closely monitor the implementation of the above laws and regulations and strictly comply with such laws and regulations in accordance with the advice of its PRC legal advisers, as well as establish and maintain internal compliance policies; and



## Directors' Report

- established a specialized virtual asset management and risk control department responsible for establishing relevant policies and systems for cryptocurrency trading and management and monitoring our cryptocurrency trading and management.

In addition, the Group's internal controls and risk management systems are explained in the section headed "Corporate Governance Report – Internal Controls and Risk Management" of this annual report.

For further details of the risks associated with our business and our industry and the uncertainties which we face, please refer to the section headed "Risk Factors" in the prospectus of the Company dated 31 October 2013 (the "**Prospectus**"). In particular, for further details of the risks associated with our Contractual Arrangements, please refer to the section headed "Risks associated with the Contractual Arrangements and the actions taken by the Company to mitigate the risks" below.

### ***Environmental Protection Initiatives***

The Group is principally engaged in the development and operations of online card and board games and will be committed to promoting and developing Web3 game related business and building the Company into a pure and leading Web3 listed company. Due to the nature of the Group's business, the Group does not have any significant environmental issues (such as issues surrounding emission of pollutants, discharges into water and land, and generation of hazardous and non-hazardous waste, which are more often seen in certain particular industries, such as construction, restaurants and manufacturing etc.) in its operations. In addition, based on the updates of important environmental laws and regulations informed by the Group's PRC legal advisers, the management of the Company believes that there are no relevant environmental laws and regulations that are applicable to the Group's businesses and operations which would have a significant impact on the Group. The management of the Company considers that the Group's businesses and operations would not cause a significant negative impact on the environment and natural resources.

The Group had formulated the relevant environmental protection and energy-saving policies. The Group always implements environmentally-friendly practices to operate and manage its businesses. For instance, the Group implements water-saving, electricity-saving, stationery-saving, paper-saving and energy-saving initiatives, etc. within the Group by enforcing good practices in the use of water, electricity, stationery and paper and in the maintenance of lighting and electric equipment to ensure that they are kept in good and proper condition to maximise efficiency. The Company has arranged staff shuttle services to reduce carbon emissions. Furthermore, the Company also actively addresses and encourages employees to participate in social environmental protection activities. For further details regarding environmental protection policies and measures of the Group, please refer to the section headed "Environmental, Social and Governance Report – Environmental Activities" of this annual report.

### ***Legal Compliance***

During the year ended 31 December 2024, the Group had complied with all relevant PRC laws and regulations in all material respects and have obtained all material licenses, approvals and permits from relevant regulatory authorities for the operations of the Group in China. In particular, during the year ended 31 December 2024, the Group has complied with relevant requirements of the Regulations on the Administration of Online Publishing Services promulgated by the State Administration of Press, Publication, Radio, Film and Television and the Ministry of Industry and Information Technology on 4 February 2016 and took effect on 10 March 2016 and the Notice of the State Administration of Press, Publication, Radio, Film and Television on the Management of Mobile Game Publishing Services promulgated by the General Office of the State Administration of Press, Publication, Radio, Film and Television on 24 May 2016 and took effect on 1 July 2016, and completed relevant approval and filing procedures for the online games that the Group offered within the PRC.





## Directors' Report

In addition, as advised by the Group's PRC legal advisers about the important updates in laws and regulations, the Group's online games do not constitute gambling activities prohibited under the Notice on Regulating Operation Order of Online Games and Inspection of Gambling via Online Games jointly issued by the Ministry of Public Security, the Ministry of Culture, the Ministry of Industry and Information Technology and the General Administration of Press and Publication of the PRC on 25 January 2007 and the Notice on Strengthening the Administration of Online Game Virtual Currency jointly issued by the Ministry of Culture and the Ministry of Commerce of the PRC on 4 June 2009, and the Group has not conducted any of the prohibited acts thereunder in its operation of online games and has not offered or promoted its online games as a tool for gambling.

The Group confirmed that it had complied with the requirements of the Notice on Preventing Minors from Becoming Addicted to Online Games published by the National Press and Publication Administration on 25 October 2019, the Law of the People's Republic of China on the Protection of Minors (2020 Revised) revised and published by the National People's Congress Standing Committee (the "**NPCSC**") on 17 October 2020, the Notice on Further Strengthening of Sleep Management for Primary and Secondary School Students published by the Ministry of Education of the People's Republic of China on 30 March 2021, the Notice on Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games published by the National Press and Publication Administration on 30 August 2021 and the Notice on Further Strengthening the Management of Preventing Primary and Secondary Students from Becoming Addicted to Online Games published by the General Office of the Ministry of Education, the General Office of the Publicity Department of the Communist Party of China Central Committee, the Secretary Bureau of the Office of the Central Cyberspace Affairs Commission (the "**OCCAC**"), the General Office of the Ministry of Industry and Information Technology, the General Office of the Ministry of Public Security and the General Office of the State Administration for Market Regulation (the "**SAMR**") on 20 October 2021. We have implemented and completed the upgrading of minors' anti addiction system in our online products operated in mainland China.

The Group confirmed that it had fully complied with the provisions relating to network security, information security, data and personal information protection under the Cybersecurity Law of the People's Republic of China promulgated by the NPCSC on 7 November 2016 and came into effect on 1 June 2017, the Notice on App Security Certification and the Implementation Rules on Security Certification of Mobile Internet Application jointly issued by the OCCAC and the SAMR on 13 March 2019, the Cybersecurity Review Measures jointly issued by the Cyberspace Administration of China, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance of the People's Republic of China, the Ministry of Commerce of the People's Republic of China, the People's Bank of China, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration on 28 December 2021 and came into effect on 15 February 2022, the Civil Code of the People's Republic of China adopted at the Third Session of the Thirteenth National People's Congress of the People's Republic of China on 28 May 2020 and came into effect on 1 January 2021, the Data Security Law of the People's Republic of China promulgated by the NPCSC on 10 June 2021 and came into effect on 1 September 2021, the Personal Information Protection Law of the People's Republic of China promulgated by the NPCSC on 20 August 2021 and came into effect on 1 November 2021.



# Directors' Report

## *Relationship with Employees, Customers and Suppliers*

### Employees

As at 31 December 2024, the Group had a total of 222 employees. In particular, 174 employees are responsible for game development and operation, 36 are responsible for game support, and 12 are responsible for administration and are members of our senior management personnel. The Group provides its employees with ample career development choices and opportunities of advancement. The Group also organises and launches various training programs on a regular basis for its employees to enhance their knowledge of online game development and operation, improve time management and internal communications and strengthen team building. The Group also provides various incentives, including without limitation, providing performance-based bonuses and share-based awards, to better motivate its employees. For further details regarding employees and staff costs and the emolument policy of the Group, please refer to the respective sections headed "Management Discussion and Analysis – Employees and staff costs" and "Directors' Report – Emolument Policy" of this annual report.

### Customers

The Group utilises game distribution platforms, such as Google Play, Apple Inc.'s App Store, Facebook, Huawei, Vivo and Oppo etc., to reach the Group's ultimate customers, being individual online game players, by providing games on the websites or online application stores operated by the game distribution platforms. Game players may access the web-based games by entering the relevant websites or the mobile games by downloading the relevant games onto their mobile devices. The Group maintained a close relationship with most of these distribution platforms.

The Group collects payments from the sales of its in-game virtual items directly from the payment collection channels of the Group. The Group established business relationship with a number of payment collection channels as its business expands. As at 31 December 2024, the Group used 128 payment collection channels.

For further details regarding our major customers, please refer to the section headed "Directors' Report – Major Customers and Suppliers" of this annual report.

### Suppliers

The major suppliers of the Group mainly comprise data centres that provide server hosting and leasing services. The Group has established server and other equipment procurement policies to manage and monitor its procurement procedures and costs. To ensure the quality and safety of the Group's network infrastructure, the Group usually purchases servers and procures services from qualified and reliable suppliers. The Group selects server rental service providers based on the historical business relationships with the Group, the compatibility of their products with the Group's requirements, prices, customer service and reputation. The Group would also evaluate its suppliers on a quarterly basis based on the performance of their products and services and will replace unqualified suppliers in a timely manner. The Group generally maintained a long-term relationship with these data centres. During the year ended 31 December 2024, there has been no termination of business relationship with the Group's major suppliers which may cause a significant adverse effect on the overall business operation of the Group. For further details regarding our major suppliers, please refer to the section headed "Directors' Report – Major Customers and Suppliers" of this annual report.



# Directors' Report

## FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2024 and the Company's and the Group's financial positions as at that date are set out in the consolidated financial statements on pages 115 to 190.

## DIVIDEND

The Board recommends a final dividend of HK\$0.1064 per ordinary share for the year ended 31 December 2024 (the **"2024 Final Dividend"**) (the year ended 31 December 2023: HK\$0.0372 per ordinary share), subject to the approval by shareholders of the Company at the forthcoming annual general meeting to be held. The total amount of the final dividend comprises the sum of 20% of the Group's net operating profit, 5% of the increase in fair value of the digital assets acquired by the Group, and 5% of the value-added gains from the digital assets acquired by the Group for the year ended 31 December 2024. The expected payment date of the 2024 Final Dividend is 30 June 2025.

## DIVIDEND POLICY

The Company adopted a dividend policy (the **"Dividend Policy"**) on 1 March 2024. In order to better align the dividend policy with the Group's strategies, the Board has, after careful consideration, reviewed and amended the Dividend Policy on 5 March 2025. According to the newly amended Dividend Policy, over the next four years, the Company will pay dividends in an amount not less than 20% of the net operating profit per annum, while the value-added gains and fair value changes from the Company's digital assets will no longer be included in the calculation of dividends.

A summary of the latest Dividend Policy is as follows:

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the articles of association of the Company and all applicable laws and regulations and factors, including, inter alia, the Group's financial results, cash flow situation, business conditions and strategies, future operations and earnings and capital requirements and expenditure plans, interests of shareholders of the Company, any restrictions on payment of dividends and any other factors that the Board may consider relevant.

Over the next four years, the Company will pay dividends in an amount not less than 20% of the net operating profit per annum.

The Dividend Policy will be reviewed by the Board from time to time as appropriate.



# Directors' Report

## RESERVES

Changes to the reserves of the Group during the year ended 31 December 2024 are set out in the consolidated statement of changes in equity. Changes to the reserves of the Company during the year ended 31 December 2024 are set out in Note 35 to the consolidated financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Changes to the property, plant and equipment of the Group during the year ended 31 December 2024 are set out in Note 17 to the consolidated financial statements.

## SHARE CAPITAL AND SHARE INCENTIVE SCHEMES

Details of the Company's share capital and share incentive schemes are set out in Note 33 and Note 36 to the consolidated financial statements and the paragraph headed "Share Option Schemes and Restricted Share Unit Schemes" of this annual report, respectively.

## SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2024 are set out in Note 21 to the consolidated financial statements.

## VERY SUBSTANTIAL ACQUISITION – ACQUISITION MANDATE AND POTENTIAL CRYPTOCURRENCY ACQUISITIONS

At an annual general meeting of the Company held on 19 April 2024 (the "**2024 AGM**"), the Board was granted another acquisition mandate (the "**Acquisition Mandate**") from the shareholders of the Company to further conduct acquisitions of cryptocurrencies in an aggregate amount not exceeding US\$100 million in open market transaction (the "**Potential Cryptocurrency Acquisitions**") during the 12 months from the date on which the ordinary resolutions in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions were duly passed. The cryptocurrencies to be purchased will consist of BTC and ETH.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Potential Cryptocurrency Acquisitions is expected to exceed 100%, the Potential Cryptocurrency Acquisitions, if materialized, may constitute a very substantial acquisition (the "**VSA**") of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. As the Potential Cryptocurrency Acquisitions will be open market transactions and will be conducted on an ongoing basis and considering the cryptocurrency investment market is volatile and fast-changing, acquiring cryptocurrencies at the best possible prices requires prompt actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each acquisition of cryptocurrencies. Accordingly, the Board proposed to seek the Shareholders' prior approval for the grant of the Acquisition Mandate at the 2024 AGM.



## Directors' Report

The resolutions in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions have been duly passed at the 2024 AGM held by the Company on 19 April 2024 by way of poll. For details, please refer to the announcement on the VSA dated 8 March 2024, the notice of EGM and the circular on the VSA dated 28 March 2024, the poll results announcement dated 19 April 2024 of the Company and the section headed "Digital Assets" in Management Discussion and Analysis of this annual report.

### MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the year ended 31 December 2024.

### DONATIONS

Donations made by the Group during the year ended 31 December 2024 amounted to RMB51,573 (2023: RMB37,309.2).

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 7 of this annual report.

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

During the year ended 31 December 2024, the Company repurchased 3,445,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$5,621,920 pursuant to the share repurchase mandate approved by the shareholders of the Company at the annual general meeting held on 19 April 2024. Details of the repurchases are summarised as follows:

Date of repurchase	Price per share		Number of Ordinary Shares of USD0.00005 Each	Total consideration
	Highest HK\$	Lowest HK\$		
12-July-2024	1.58	1.52	475,000	737,480
17-July-2024	1.68	1.62	1,770,000	2,952,380
18-July-2024	1.67	1.63	500,000	824,980
19-July-2024	1.59	1.56	700,000	1,107,080
<b>Total: July 2024</b>			<b>3,445,000</b>	<b>5,621,920</b>



## Directors' Report

All the repurchased 3,445,000 shares of the Company have been cancelled during the year ended 31 December 2024 and the issued share capital of the Company has been reduced by the nominal value of the repurchased shares. The premium paid on repurchase was charged against the share premium of the Company. The repurchases were effected by the Board with a view to benefiting the shareholders of the Company as a whole by enhancing the earnings per share of the Company. Except as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the year ended 31 December 2024.

As at 31 December 2024, the Company did not hold any treasury shares within the meaning under Listing Rules.

### SHARE OPTION SCHEMES AND RESTRICTED SHARE UNIT SCHEMES

#### *Post-IPO Share Option Scheme*

On 23 October 2013, the Post-IPO Share Option Scheme of the Company was approved and adopted by the Shareholders.

The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on 12 November 2013, being the date on which the trading of the Shares on the Stock Exchange commenced (the "**Listing Date**"). Accordingly, as at 31 December 2023, the Post-IPO Share Option Scheme had expired. After the expiration of the Post-IPO Share Option Scheme, no further options will be granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Post-IPO Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Post-IPO Share Option Scheme. As all options granted under the Post-IPO Share Option Scheme are exercisable over an ten-year period from the date of grant. Therefore, given that the last batch of options under the Post-IPO Share Option Scheme were granted on 7 September 2015, as at 31 December 2024, the remaining life of the Post-IPO Share Option Scheme in respect of outstanding options is approximately nine months.

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





## Directors' Report

The maximum number of Shares which may be issued upon the exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes (including but not limited to the Pre-IPO Share Option Scheme, as defined below, the “**Other Schemes**”) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”) (being 73,755,912 Shares). As at the date of this annual report, the total number of Shares which may be issued on the exercise of options granted under the Post-IPO Share Option Scheme are 620,000, representing approximately 0.09% of the issued share capital of the Company as at the date of this annual report. No option was available for grant pursuant to the Post-IPO Share Option Scheme as at 1 January 2024 and 31 December 2024. Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme and any Other Schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Post-IPO Share Option Scheme and any Other Schemes of the Company to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time. Unless approved by the Shareholders in a general meeting, the total number of Shares issued and to be issued upon the exercise of the options granted to each Eligible Person (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Person concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Post-IPO Share Option Scheme. An offer of options not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

Any option shall be vested on an option-holder immediately upon his acceptance of the offer of options provided that if any terms and conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such terms and conditions. Such terms and conditions may include any vesting schedule and/or conditions, any minimum period for which any option must be held before it can be exercised and/or any performance target which need to be achieved by an option-holder before the option can be exercised. Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option.



## Directors' Report

The exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the highest of:

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

Details of the options granted under the Post-IPO Share Option Scheme and details of the vesting period, exercise period, the exercise price and the movements in options during the year ended 31 December 2024 are set out in the section headed "Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 31 December 2024" below. Details of movements in the options and the value of the options granted under the Post-IPO Share Option Scheme are set out in Note 36 to the consolidated financial statements.

During the year ended 31 December 2024, none of options granted under the Post-IPO Share Option Scheme have lapsed, no option has been granted or agreed to be granted, nor has any option been cancelled.

### *Pre-IPO Share Option Scheme*

On 7 January 2011, the Pre-IPO Share Option Scheme of the Company was approved and adopted by the Board, which was subsequently amended on 17 September 2013.

The purpose of the Pre-IPO Share Option Scheme is to enable the Company to grant pre-IPO options to employees, officers and directors of or consultant to any member of the Group (the "**Eligible Participant(s)**") as recognition and acknowledgement of the contributions that such Eligible Participants have made or may make to the Group or any affiliates. An Eligible Participant whom an option is granted in accordance with the terms of the Pre-IPO Share Option Scheme (the "**Grantee**") is not required to pay for the grant of any option under the Pre-IPO Share Option Scheme.

The maximum number of Shares in respect of which options may be granted at any time under the Pre-IPO Share option Scheme will be such number of shares as the Remuneration Committee may approve from time to time. No Grantee shall be entitled to any rights, interest or benefits attached to the underlying Shares of the options granted under the Pre-IPO Share Option Scheme unless and until the option in respect of such Shares has been vested on them and exercised in accordance with the terms of the Pre-IPO Share Option Scheme. There is no maximum entitlement for each Eligible Participant under the rules of the Pre-IPO Share Option Scheme although no Eligible Participant under the Pre-IPO Share Option Scheme has been granted options exceeding 1.0% of the issued share capital of the Company.



## Directors' Report

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Person concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Pre-IPO Share Option Scheme.

An option shall not be exercisable on any date unless such terms and conditions (including, without limitation, any performance target(s) or condition(s) upon which the exercise of the option shall be conditional), if any, are satisfied and to the extent that the option has vested.

The exercise price in respect of any option granted under the Pre-IPO Share Option Scheme shall be fixed with reference to the fair market value of the underlying Share on the date upon which the option is granted, and subject to any adjustments, shall be:

- (i) the latest valuation price per Share certified by an independent valuer engaged by the Company for such purpose prior to the date of grant of the relevant option; or
- (ii) the latest price per Share at which the Company has issued any Shares prior to the date of grant of the relevant option, unless the Company otherwise determines and so notifies the Grantee in writing.

Notwithstanding any other provision of the rules of the Pre-IPO Share Option Scheme or any notice of grant or the terms on which any option is granted or vested, any Shares allotted upon the exercise of the option in accordance with the Pre-IPO Share Option Scheme will, in all cases, be held by a nominee as designated by the Company (the “**Nominee**”) for the Grantees. The Company has appointed The Core Trust Company Limited as the trustee (the “**Trustee**”) to assist with the administration and vesting of the options granted pursuant to the Pre-IPO Share Option Scheme and The Core Admin Boyaa Option Limited, a company wholly-owned by the Trustee, as the Nominee to hold the Shares to be allotted to the Grantees upon the exercise of the option in accordance with the Pre-IPO Share Option Scheme.

An option, whether vested or unvested, shall automatically lapse and expire with no rights and benefits on the day falling on the eighth anniversary of the date of vesting of the relevant option or such earlier date as the Board may have determined prior to the grant of the relevant option.

All of the options granted under the Pre-IPO Share Option Scheme were granted in four batches in 2011 and 2012. No further options have been granted under the Pre-IPO Share Option Scheme after the Listing Date. As at 1 January and 31 December 2024, no options were available for grant pursuant to the Pre-IPO Share Option Scheme and no options to subscribe for Shares remained outstanding under the Pre-IPO Share Option Scheme. Therefore, the Pre-IPO Share Option Scheme has expired. As at the date of this annual report, no Share was available for issue under the Pre-IPO Share Option Scheme.



## Directors' Report

During the year ended 31 December 2024, none of options granted under the Pre-IPO Share Option Scheme have been lapsed and no options have been cancelled.

### ***2024 Share Option Scheme***

On 19 April 2024, the 2024 Share Option Scheme was approved and adopted by the Shareholders. The purpose of the 2024 Share Option Scheme is to incentivise and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The eligible persons of the 2024 Share Option Scheme include (i) employee participants, being any Director(s) or employee(s) (whether full-time or part-time) of the Group; and (ii) related entity participant(s), being any director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company. The total number of shares available for issue under the 2024 Share Option Scheme is 70,957,630, representing approximately 9.99% of the total issued Shares (excluding treasury shares) of the Company as at the date of this annual report.

Where any grant of options to an eligible person would result in the Shares issued and to be issued in respect of all options and awards granted to such eligible person pursuant to the 2024 Share Option Scheme or any other schemes of the Company (excluding any options and awards lapsed in accordance with such schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the ordinary share capital of the Company in issue, such grant must be separately approved by Shareholders in general meeting with such eligible person and his/her close associates (or associates if the eligible person is a connected person) abstaining from voting. Where a grant of option is to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options and awards granted pursuant to the 2024 Share Option Scheme or any other schemes of the Company (excluding any options and awards lapsed in accordance with the terms of such schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant, such further grant of options must be approved by the Shareholders in general meeting by means of sending a circular to the Shareholders, and the grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting.



## Directors' Report

Any option which has vested, the conditions of which have been satisfied or waived by the Board in its sole discretion; and has not lapsed or cancelled may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted by an option-holder. In any event, the options must be exercised within ten years from the date of grant. The vesting period of the options shall not be less than 12 months from the date of grant. A shorter vesting period may be granted to the employee participants at the discretion of the Board or the remuneration committee of the Company or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in special circumstances as prescribed in the terms of the 2024 Share Option Scheme.

The amount payable for the acceptance of the grant of an option shall be the sum of HK\$1.00 which shall be paid upon such acceptance. The acceptance of the grant of an option shall be made within such a period (not exceeding 28 days inclusive of, and from, the offer date) as the Board may determine and notify to the eligible persons concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the 2024 Share Option Scheme.

The exercise price of options granted must be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant.

The 2024 Share Option Scheme shall be valid and effective for a period of ten years from the granting of approval of the listing of, and permission to deal in, any shares to be issued and allotted pursuant to the exercise of the options under the 2024 Share Option Scheme by the Listing Committee of the Stock Exchange. As at 31 December 2024 and the date of this annual report, the 2024 Share Option Scheme has not taken effect and its remaining life is ten years.

No option was granted pursuant to the 2024 Share Option Scheme during the year ended 31 December 2024. As at 1 January and 31 December 2024, there are nil and 70,957,630 options available for grant under the scheme mandate limit of the 2024 Share Option Scheme.



## Directors' Report

### *Restricted Share Unit Schemes*

The 2013 RSU scheme of the Company, adopted on 17 September 2013 with a term of eight years from the date of adoption, was terminated on 3 March 2021. Nonetheless, the rights and obligations of the grantees and the Company with respect to the RSUs that have been granted or earmarked pursuant to the 2013 RSU Scheme on or before the termination date as provided (or will be provided) in the relevant grant letters shall survive termination of the 2013 RSU Scheme and remain in full force and effect except otherwise provided for in such grant letters. As the last batch of RSUs granted under the 2013 RSU Scheme was granted on 12 March 2015 and had vested over a subsequent period of four years, as at 31 December 2024, all RSUs granted under the 2013 RSU Scheme had vested. The Company adopted the 2021 RSU Scheme on 19 July 2021 in place and under substantially the same terms as the 2013 RSU Scheme. On 28 March 2024, the Company adopted the 2024 RSU Scheme and the 2021 RSU Scheme had been terminated on the same day. The remaining shares ungranted under the 2021 RSU Scheme were used for future grants of the Group under the 2024 RSU Scheme.

### *The 2013 RSU Scheme and 2021 RSU Scheme (the "Terminated RSU Schemes")*

The purpose of the Terminated RSU Schemes is to incentivise directors, senior management and employees for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

Persons eligible to receive RSUs under the Terminated RSU Scheme are existing employees, directors (whether executive or non-executive, but excluding independent non-executive directors) or officers of the Company or any of its subsidiaries (the "**RSU Eligible Person(s)**"). The Board selects the RSU Eligible Persons to receive RSUs under the Terminated RSU Schemes at its discretion. There is no maximum entitlement for each RSU Eligible Person under the rules of the Terminated RSU Schemes although no RSU Eligible Person has been granted RSUs exceeding 1.5% of the issued share capital of the Company.

The 2021 RSU Scheme will be valid and effective for a period of eight years, commencing from the date of the first grant of the RSUs, being 27 August 2021 (unless it is terminated earlier in accordance with its terms) (the "**RSU Scheme Period**"). It had been terminated on 28 March 2024.

The maximum number of RSUs that may be granted under the Terminated RSU Schemes in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the Terminated RSU Schemes) shall be such number of Shares held or to be held by the RSU Trustee (as defined below) for the purpose of the RSU Scheme from time to time.

The Board may not grant any RSUs to any RSU Eligible Person(s) in any of the following circumstances:

- (i) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the RSUs or in respect of the RSU Schemes, unless the Board determines otherwise;
- (ii) where granting the RSUs would result in a breach by the Company, its subsidiaries or any of their directors of any applicable securities laws, rules or regulations; or
- (iii) where such grant of RSUs would result in breach of the limit set out in the rules of the RSU Schemes. Under such rules, the maximum number of RSUs that may be granted under the RSU Schemes in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules) shall be such number of shares held by the trustee for the purpose of the RSU Schemes from time to time.





## Directors' Report

The Board can determine the vesting criteria, conditions and the time schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the letter granting such RSUs. Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board will send a vesting notice (the “**Vesting Notice**”) to each of the relevant participant in the Terminated RSU Schemes (the “**RSU Participant(s)**”). The Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved. The RSUs that have been granted are subject to vesting as described in the section headed “Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 31 December 2024 – (c) Consideration paid for the grant of RSUs and the vesting period of the RSUs granted under the RSU Schemes” below and once the RSUs vest and the corresponding shares transferred to the RSU Participants, the RSU Participants are not restricted from dealing in the shares under the rules of the RSU Schemes.

The Company has appointed The Core Trust Company Limited as the trustee (the “**RSU Trustee**”) to assist with the administration and vesting of RSUs granted pursuant to the Terminated RSU Schemes. The Company may (i) allot and issue Shares to the RSU Trustee to be held by the RSU Trustee and which will be used to satisfy the RSUs upon exercise and/or (ii) direct and procure the RSU Trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. The shares underlying the 2013 RSU Scheme and 2021 RSU Schemes are both held by a nominee company, i.e., The Core Admin Boyaa RSU Limited and Core Administration RSU Limited respectively (collectively, the “**RSU Nominee**”). Dividends that are attributable to the underlying shares of the Terminated RSU Schemes will be paid to the RSU Nominee as the registered shareholder of such shares. The dividends attributable to the underlying shares of RSUs already granted will be held by the RSU Nominee for the benefit of the RSU Participants which will be distributed to them in accordance with the corresponding number of underlying shares that each RSU Participant is entitled based on RSUs already granted to such RSU Participant at the time of distribution of the dividends. The remaining dividends represent dividends attributable to shares in the reserve pool of underlying shares where RSUs have not yet been granted (the “**RSU Pool**”). The dividends in respect of shares in the RSU Pool will first be used to settle any outstanding fees and expenses of the RSU Schemes payable by the Company to the trustee of the RSU Schemes and the settlement of the remaining portion of such dividends will be transferred to former shareholders of the Company before the adoption of the 2013 RSU Scheme, or arranged as decided otherwise by the Board.



## Directors' Report

The Company has put in place the following mechanism for the exercise of the voting rights attached to the vested RSUs held by the RSU Nominee on behalf of relevant RSU Participants at the Company's general meetings:

- (i) In respect of each general meeting of the Company, the Company will send a voting instruction form to each of the relevant RSU Participants to solicit votes from such RSU Participants. The voting instruction form will be very similar to the proxy form for the relevant general meeting and will set out a general description of the resolutions proposed at the general meeting and will allow the RSU Participants to select whether to vote for or against each of the resolutions. A copy of the relevant corporate communication concerning matters to be proposed at such general meeting (such as shareholders' circular and annual report) will also be made available to each of the relevant RSU Participants so that such RSU Participants will have all relevant information for considering the relevant resolutions. Each relevant RSU Participant shall be entitled to one vote for each of the shares underlying the vested RSUs granted to him or her. The relevant RSU Participants will be required to return the signed and completed voting instruction form with the administrator of the RSU Schemes (the "**Administrator**") (currently being Ms. Tao Ying) by the deadline stated in the voting instruction form, which deadline shall be no less than 7 days before the time for holding the relevant general meeting and the RSU Participants will be given at least 7 days to consider how they would like to cast their votes. In so far as the duly signed and completed voting instructions from the relevant RSU Participants have been received by the Administrator prior to the proposed deadline, the Administrator will calculate the total of votes for and against each proposed resolution and will instruct the RSU Nominee accordingly, and the RSU Nominee shall vote only in accordance with the instructions of the Administrator which reflect the instructions of the relevant RSU Participants.
- (ii) For those relevant RSU Participants who fail to return a duly signed and completed voting instructions form to the Administrator prior to the proposed deadline as set out in the voting instruction form, the Administrator will not give any instruction to the RSU Nominee so that no votes will be cast for such shares underlying the vested RSUs and the RSU Nominee shall abstain from voting with respect to such shares underlying the vested RSUs.
- (iii) For the shares in the RSU Pool in respect of which no RSUs have been granted, the Administrator will not give any instruction to the RSU Nominee so that no votes will be cast for those shares and the RSU Nominee shall also abstain from voting with respect to such shares.

RSUs held by a RSU Participant that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the RSU Participant serving an exercise notice in writing on the RSU Trustee and copied to the Company. Upon receipt of an exercise notice, the Board may decide at its absolute discretion to:

- (a) direct and procure the RSU Trustee to, within a reasonable time, transfer the Shares underlying the RSUs exercised (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the RSU Participant which the Company has allotted and issued to the RSU Trustee as fully paid up Shares or which the RSU Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder, subject to the RSU Participant paying the exercise price (where applicable) and all tax, stamp duty, levies and charges applicable to such transfer to the RSU Trustee or as the RSU Trustee directs; or



## Directors' Report

- (b) pay, or direct and procure the RSU Trustee to, within a reasonable time, pay, to the RSU Participant in cash an amount which represents the value of the Shares underlying the RSUs exercised on or about the date of exercise (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) less any exercise price (where applicable) and after deduction of any tax, levies, stamp duty and other charges applicable to the sale of any Shares to fund such payment and in relation thereto.

### ***The 2024 RSU Scheme***

The 2024 RSU Scheme was adopted by the Board on 28 March 2024 to incentivise the contributions by, and to attract, motivate and retain, eligible persons, for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The 2024 RSU Scheme will use the shares held or to be held by its trustee from time to time and which are issued existing Shares only. Therefore it constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving issue of new Shares as referred to in Chapter 17 of the Listing Rules. The 2024 RSU Scheme shall be valid and effective for a period of eight years commencing on 28 March 2024. As at 31 December 2024, the remaining life of the 2024 RSU Scheme is seven years and three months.

The Board may select any eligible person for participation in the 2024 RSU Scheme as a selected person. Unless so selected, no eligible person shall be entitled to participate in the 2024 RSU Scheme. The basis of eligibility of any selected person for the grant of RSUs shall be determined by the Board from time to time in its sole and absolute discretion on the basis of their contribution to the development and growth of the Group or such other factors as the Board may deem appropriate.

As the 2024 RSU Scheme will use the shares held or to be held by its trustee from time to time and which are issued existing shares only, no shares are available for issue under the scheme. The Board may determine the vesting criteria, conditions and the time schedule when the RSUs will vest under the 2024 RSU Scheme.

For details of the 2024 RSU Scheme, please refer to the Company's announcement date 28 March 2024.

In accordance with Rule 17.05A of the Listing Rules, The Core Trust Company Limited (and the RSU Nominees, which were indirectly wholly-owned by The Core Trust Company Limited) have abstained from voting at the general meetings of the Company on matters that require shareholders' approval under the Listing Rules with respect to unvested shares held in its capacity as the trustee of the RSU Schemes of the Company.



## Directors' Report

As at the date of this annual report, no RSU could be granted and no RSU remained granted but unvested under the 2013 RSU Scheme and the 2021 RSU Scheme. As at the date of this annual report, there were 39,644,660 shares underlying the RSUs allowed to be granted under the 2024 RSU Scheme which were held by Core Administration RSU Limited as nominee for the benefit of eligible participants pursuant to the 2024 RSU Scheme, and none of RSUs were granted but remain unvested under the 2024 RSU Scheme, representing 5.58% and 0% of the total issued shares of the Company as at the date of this annual report, respectively.

As at 31 December 2024, an aggregate of 41,072,991 Shares were held by the RSU Trustee, representing approximately 5.78% of the Shares in issue as at the date of this annual report. As at 31 December 2024, RSUs in respect of an aggregate of 1,345,000 Shares, representing approximately 0.19% of the Shares in issue as at the date of this annual report, had been granted to 17 RSU Participants pursuant to the RSU Schemes and remained unexercised. Details of the movements in the RSUs under the RSU Scheme are set out in Note 36 to the consolidated financial statements.

As at 1 January and 31 December 2024, no RSU could be granted under the 2013 RSU Scheme, there were 37,390,494 and nil shares underlying the RSUs allowed to be granted under the 2021 RSU Scheme, and there were nil and 39,644,660 shares underlying the RSUs allowed to be granted under the 2024 RSU Scheme, respectively. Such shares were held by Core Administration RSU Limited as nominee for the benefit of eligible persons pursuant to the 2024 RSU Scheme as at 31 December 2024.

As during the year ended 31 December 2024, no RSU had been granted under the 2013 RSU Scheme or the 2021 RSU Scheme, and no option had been granted under any share option scheme of the Company, the calculation pursuant to Rule 17.07(3) of the Listing Rules is nil.

Details of the RSUs granted under the RSU Scheme and details of the vesting period and the movements in RSUs during the year ended on 31 December 2024 are set out in the section headed "Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 31 December 2024" below.



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### Details of the options granted and outstanding under the Post-IPO Share Option Scheme and the Pre-IPO Share Option Scheme and the RSUs granted and outstanding under the RSU Schemes as at 31 December 2024

Name of option holder/ Grantees of RSU	Number of shares represented by options or RSUs at 1 January 2024 (Unexercised)	Nature	Date of grant	Granted during the period	Exercise/ purchase price	Weighted average closing price of shares immediately before the dates on which the options or RSUs were exercised	Exercised during the period	Cancelled during the period	Lapsed during the period	Number of shares represented by options or RSUs at 31 December 2024 (Unexercised)
Ms. Tao Ying (Executive Director and acting chief executive officer of the Company)	85,000	Post-IPO Share Option Scheme	7 September 2015	–	HK\$3.108	HK\$4.2	85,000	–	–	0
	50,000	RSUs granted under 2013 RSU Scheme <sup>(2)</sup>	12 March 2015	–	–	–	50,000 <sup>(6)</sup>	–	–	0
	–	RSUs granted under 2024 RSU Scheme <sup>(5)</sup>	19 June 2024 <sup>(3)</sup>	200,000	–	–	50,000 <sup>(7)</sup>	–	–	150,000
<b>Sub-total</b>	<b>135,000</b>			200,000			185,000	–	–	150,000
Employees and previous employees of the Group	4,787,429	Post-IPO Share Option Scheme	7 September 2015		HK\$3.108	HK\$5.3	3,967,429	–	–	820,000
Employees and previous employees of the Group <sup>(1)</sup>	60,909	RSUs granted under	1 February 2011	–	–	–	60,909	–	–	0
	22,202	2013 RSU Scheme <sup>(2)</sup>	2 March 2012	–	–	–	22,202	–	–	0
	5,908		1 July 2012	–	–	–	5,908	–	–	0
	3,653,582		4 March 2013	–	–	–	3,653,582	–	–	0
	145,488		12 March 2015	–	–	–	145,488	–	–	0
Employees and previous employees of the Group <sup>(1)</sup>	3,550,000	RSUs granted under	27 August 2021 <sup>(3)</sup>	–	–	–	2,675,834	–	104,166	770,000
	12,100,000	2021 RSU Scheme	15 April 2022 <sup>(4)</sup>	–	–	–	7,779,169	–	4,133,331	187,500
	–	RSUs granted under	19 June 2024 <sup>(5)</sup>	1,700,000	–	–	1,462,500	–	–	237,500
<b>Sub-total</b>	<b>24,325,518</b>			1,700,000			19,773,021	–	4,237,497	2,015,000
Total	4,872,429	Post-IPO Share Option Scheme	7 September 2015		HK\$3.108	–	4,052,429	–	–	820,000
	60,909	RSUs granted under	1 February 2011	–	–	–	60,909	–	–	0
	22,202	2013 RSU Scheme <sup>(2)</sup>	2 March 2012	–	–	–	22,202	–	–	0
	5,908		1 July 2012	–	–	–	5,908	–	–	0
	3,653,582		4 March 2013	–	–	–	3,653,582	–	–	0
	195,488		12 March 2015	–	–	–	195,488	–	–	0
	3,550,000	RSUs granted under	27 August 2021 <sup>(3)</sup>	–	–	–	2,675,834	–	104,166	770,000
	12,100,000	2021 RSU Scheme	15 April 2022 <sup>(4)</sup>	–	–	–	7,779,169	–	4,133,331	187,500
	–	RSUs granted under	19 June 2024 <sup>(5)</sup>	1,900,000	–	–	1,512,500	–	–	387,500
<b>Total</b>	<b>24,460,518</b>			1,900,000			19,958,021	–	4,237,497	2,165,000



## Directors' Report

Notes:

- (1) As at 1 January 2024, there were 625,000 unvested RSUs granted to the five highest paid individuals of the Company for the year ended 31 December 2024 (the **"Five Highest Paid Individuals"**) in aggregate (including no Director), including 250,000 RSUs granted on 27 August 2021 and 375,000 RSUs granted on 15 April 2022 under the 2021 RSU Scheme. During the year ended 31 December 2024, 600,000 RSUs were granted to the Five Highest Paid Individuals and none of unvested RSUs granted to the Five Highest Paid Individuals were cancelled or had lapsed. For the year ended 31 December 2024, 1,225,000 RSUs granted to the Five Highest Paid Individuals had vested (including 250,000 RSUs granted on 27 August 2021, 375,000 RSUs granted on 15 April 2022 under the 2021 RSU Scheme and 600,000 RSUs granted on 19 June 2024 under the 2024 RSU Scheme). As at 31 December 2024, all RSUs granted to the Five Highest Paid Individuals had vested. For purchase prices and the weighted average closing prices of the shares immediately before the dates on which the RSUs were vested, please refer to the notes (3), (4) and (5) below.
- (2) As at 1 January 2024 and 31 December 2024, no RSU granted under the 2013 RSU Scheme was unvested.
- (3) As at 1 January 2024, 1,775,000 RSUs granted to 17 employees and previous employees of the Group on 27 August 2021 have not been vested. During the year ended 31 December 2024, 1,670,834 RSUs granted on 27 August 2021 have been vested with no purchase price and the weighted average closing price of the shares immediately before the dates on which the RSUs were vested being HK\$2.60 per share. During the year ended 31 December 2024, 104,166 RSUs granted on 27 August 2021 had lapsed and no RSUs granted on 27 August 2021 had been cancelled. As at 31 December 2024, all RSUs granted on 27 August 2021 had vested. Based on the performance and contributions of the relevant participants, the Board of Directors approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by the relevant participants, resulted in a total of the remaining 571,865 RSUs, which were held by twelve individuals, vested in advance on 4 December 2024.
- (4) As at 1 January 2024, 9,075,000 RSUs granted to eight employees and previous employees of the Group on 15 April 2022 have not been vested. During the year ended 31 December 2024, 4,941,669 RSUs granted on 15 April 2022 have been vested with no purchase price and the weighted average closing price of the shares immediately before the dates on which the RSUs were vested being HK\$2.31 per share. During the year ended 31 December 2024, 4,133,331 RSUs granted on 15 April 2022 had lapsed and no RSUs granted on 15 April 2022 had been cancelled. As at 31 December 2024, all RSUs granted on 15 April 2022 had vested. Based on the performance and contributions of the relevant participants, the Board of Directors has approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by the relevant participants, resulted in a total of the remaining 404,169 RSUs, which were held by two individuals, vested in advance on 4 December 2024.
- (5) All the 1,900,000 RSUs granted to Ms. Tao Ying and other employees of the Group in aggregate on 19 June 2024 had been vested immediately with no purchase price and the closing price of the shares immediately before the date on which the RSUs were granted and the weighted average closing price of the shares immediately before the date on which the RSUs were vested being HK\$1.96 per share. During the year ended 31 December 2024, none of the RSUs granted on 19 June 2024 had lapsed or had been canceled. As at 31 December 2024, all RSUs granted on 19 June 2024 had been vested. The fair value of the above newly granted RSUs equals to the closing price of the Company's ordinary shares on the grant date, which was HKD1.89 per share. For details, please refer to Note 36 of the Notes to the Consolidated Financial Statements of this report.
- (6) Ms. Tao Ying had directed and procured the trustee of the 2013 RSU Scheme to transfer the 50,000 shares to herself in accordance with the terms of the 2013 RSU Scheme during the year ended 31 December 2024.
- (7) The 200,000 RSUs granted to Ms. Tao Ying under the 2024 RSU Scheme have vested. For details, please refer to Note (5) above. During the year ended 31 December 2024, 50,000 of the relevant shares had been sold.





## Directors' Report

**(a) *Consideration paid for the grant of options, the vesting period and the exercise period of the options granted under the Post-IPO Share Option Scheme***

Each holder of the options granted under the Post-IPO Share Option Scheme as referred to in the table above are required to pay an amount of HK\$1.00 for the grant of each of the options under the Post-IPO Share Option Scheme which shall be paid upon such acceptance.

Subject to the satisfactory performance of the option holders, the options granted to each of the option holders shall be vested in accordance with the vesting schedule as follows:

- (i) as to 25% of the options granted on the date ending 12 months after the date of grant;
- (ii) as to 25% of the options granted on the date ending 24 months after the date of grant; and
- (iii) as to the remaining 50% of the options granted, on a monthly basis starting from the 25th month after the date of grant in 24 monthly equal lots.

Each option granted under the Post-IPO Share Option Scheme has a ten-year exercise period commencing from the date of grant.

**(b) *Consideration paid for the grant of options, the vesting period and the exercise period of the options granted under the Pre-IPO Share Option Scheme***

The holders of the options granted under the Pre-IPO Share Option Scheme as referred to in the table above are not required to pay for the grant of any option under the Pre-IPO Share Option Scheme.

Subject to the satisfactory performance of the option holders, the options granted to each of the option holders shall be vested in accordance with vesting schedule as follows:

- (i) as to 25% of the aggregate number of Shares underlying the option on the date ending 12 months after the date of grant of such option;
- (ii) as to 12.5% of the aggregate number of Shares underlying the option on the date ending 18 months after the date of grant of such option;
- (iii) as to 12.5% of the aggregate number of Shares underlying the option on the date ending 24 months after the date of grant of such option; and
- (iv) as to the remaining 50% of the aggregate number of Shares underlying the option, on a monthly basis starting from the 25th month after the date of grant of such option in 24 monthly equal lots.

Each option granted under the Pre-IPO Share Option Scheme has an eight-year exercise period.



## Directors' Report

**(c) *Consideration paid for the grant of RSUs and the vesting period of the RSUs granted under the RSU Schemes***

The grantees of the RSUs granted under the RSU Scheme as referred to in the table above are not required to pay for the grant of any RSU under the RSU Schemes.

RSUs that were granted before 4 March 2013 were granted to replace certain options granted under the Pre-IPO Share Option Scheme and have the same vesting period as the options granted under the Pre-IPO Share Option Scheme. See the preceding sub-paragraph "(b) Consideration paid for the grant of options, the vesting period and the exercise period of the options granted under the Pre-IPO Share Option Scheme" above.

For the RSUs granted on 4 March 2013 under the 2013 RSU Scheme, they shall (unless the Company shall otherwise determine and so notify such grantees in writing) vest as follows:

- (i) 25% of the RSUs on the date ending 12 months after 30 September 2013;
- (ii) 12.5% of the RSUs on the date ending 18 months after 30 September 2013;
- (iii) 12.5% of the RSUs ending 24 months after 30 September 2013; and
- (iv) as to the remaining 50% of the RSUs, on a monthly basis starting from the 25th month after 30 September 2013 in 24 monthly equal lots.

For the RSUs granted on 12 March 2015 under the 2013 RSU Scheme, they shall vest as follows:

- (i) as to 25% of the RSUs on the date ending 12 months after the date of grant of the RSUs;
- (ii) as to 25% of the RSUs on the date ending 24 months after the date of grant of the RSUs;
- (iii) as to 12.5% of the RSUs on the date ending 30 months after the date of grant of the RSUs;
- (iv) as to 12.5% of the RSUs on the date ending 36 months after the date of grant of the RSUs; and
- (v) as to the remaining 25% of the RSUs, on a monthly basis starting from the 37th month after the date of grant in 12 monthly equal lots.

For the RSUs granted on 27 August 2021 under the 2021 RSU Scheme, they shall vest as follows:

- (i) as to 25% of the RSUs on the date ending 12 calendar months after the date of grant of the RSUs;
- (ii) as to 25% of the RSUs on the date ending 24 calendar months after the date of grant of the RSUs;
- (iii) as to 12.5% of the RSUs on the date ending 30 calendar months after the date of grant of the RSUs;
- (iv) as to 12.5% of the RSUs on the date ending 36 calendar months after the date of grant of the RSUs; and
- (v) as to the remaining 25% of the RSUs, on a monthly basis starting from the 37th calendar month after the date of grant in 12 monthly equal lots.

The expiry date of the RSUs granted on 27 August 2021 is 26 August 2029.



## Directors' Report

For the RSUs granted on 15 April 2022 under the 2021 RSU Scheme, they shall vest as follows:

- (i) as to 25% of the RSUs on the date ending 12 calendar months after the date of grant of the RSUs;
- (ii) as to 25% of the RSUs on the date ending 24 calendar months after the date of grant of the RSUs;
- (iii) as to 12.5% of the RSUs on the date ending 30 calendar months after the date of grant of the RSUs;
- (iv) as to 12.5% of the RSUs on the date ending 36 calendar months after the date of grant of the RSUs; and
- (v) as to the remaining 25% of the RSUs, on a monthly basis starting from the 37th calendar month after the date of grant in 12 monthly equal lots.

The expiry date of the RSUs granted on 15 April 2022 is 14 April 2030.

All of the above granted RSUs shall also be subject to the Company and the relevant grantee meeting or satisfying the annual and half-yearly performance target or review immediately preceding such vesting.

All the RSUs granted on 19 June 2024 under the 2024 RSU Scheme had been vested immediately after the grant. The expiry date of the RSUs granted on 19 June 2024 is 18 June 2032.

## DIRECTORS

The Directors during the Reporting Period and up to the date of this report were:

### *Directors*

Name	Position
Mr. Dai Zhikang	Chairman of the Board and Executive Director
Ms. Tao Ying	Executive Director, Acting Chief Executive Officer and Joint Company Secretary
Mr. Cheung Ngai Lam	Independent Non-executive Director
Mr. Choi Hon Keung Simon	Independent Non-executive Director
Mr. Kong Fanwei (retired on 19 April 2024)	Independent Non-executive Director
Mr. Ma Jingchun (appointed on 19 April 2024)	Independent Non-executive Director

In accordance with Article 16.18 of the articles of association of the Company, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if the number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation.

None of the retiring Directors 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 under normal statutory obligations.

The biographical details of the Directors and senior management of the Company are set out in the section headed "Biographies of the Directors and Senior Management" of this annual report. Save as disclosed therein, there was no other matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules as of the date of this annual report.



## Directors' Report

### DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this annual report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company and/or any entity connected with a Director had a material interest, whether directly or indirectly, and no contract of significance, whether for the provision of services or otherwise, between the Company or any of its subsidiaries and the Company's controlling shareholder or any of its subsidiaries, subsisted at the end of the year or at any time during the Reporting Period.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules were as follows:

#### (a) *Interests in the Company*

Name of Director/ Chief Executive	Name of company	Capacity/ Nature of interest	Number of Shares/ underlying Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(3)</sup>
Mr. Dai Zhikang <sup>(2)</sup>	The Company	Founder of a discretionary trust	36,500,000 (L)	5.14%
Ms. Tao Ying	The Company	Beneficial owner	200,000 (L)	0.03%

Notes:

(1) The letter "L" denotes the person's long position in such shares.

(2) Visioncode Holdings Limited, a company wholly-owned by a trust named the Visioncode Trust (the "**Dai Family Trust**"), directly holds the entire issued share capital of Comsenz Holdings Limited. Mr. Dai Zhikang is the director of Comsenz Holdings Limited. The Dai Family Trust is a discretionary trust established by Mr. Dai Zhikang (as the settlor) and the discretionary beneficiaries of which include Mr. Dai Zhikang and his children. Accordingly, Mr. Dai Zhikang is deemed to be interested in the 36,500,000 Shares held by Comsenz Holdings Limited under the SFO.

(3) As at 31 December 2024, the Company had 710,183,730 issued Shares.



## Directors' Report

### (b) Interests in associated corporations of the Company

Name of Director / Chief Executive	Name of associated corporation	Capacity / Nature of interest	Number of shares held	Approximate percentage of shareholding
Mr. Dai Zhikang	Boyaa Shenzhen	Beneficial owner	200,000	2.00%

Save as disclosed above, as at 31 December 2024, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Name of company	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(6)</sup>
Mr. Zhang Wei <sup>(2)</sup>	The Company	Beneficial owner, Founder of a discretionary trust	255,628,474 (L)	35.99%
Cantrust (Far East) Limited <sup>(3)(4)</sup>	The Company	Trustee of a trust	282,737,474 (L)	39.81%
Rustem Limited <sup>(3)(4)</sup>	The Company	Nominee for another person	282,737,474 (L)	39.81%
Chunlei Investment <sup>(2)(3)</sup>	The Company	Interest in a controlled corporation	246,237,474 (L)	34.67%
Boyaa Global Limited <sup>(2)(3)</sup>	The Company	Beneficial owner	176,572,474 (L)	24.86%
Emily Technology Limited <sup>(2)(3)</sup>	The Company	Beneficial owner	69,665,000 (L)	9.81%
Visioncode Holdings Limited <sup>(4)</sup>	The Company	Interest in a controlled corporation	36,500,000 (L)	5.14%
The Core Trust Company Limited <sup>(5)(7)</sup>	The Company	Trustee of a trust	44,445,145 (L)	6.26%
TCT (BVI) Limited <sup>(5)(7)</sup>	The Company	Other	44,445,145 (L)	6.26%
Core Administration RSU Limited <sup>(5)(7)</sup>	The Company	Nominee for another person	42,289,660 (L)	5.95%



## Directors' Report

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) Chunlei Investment Limited ("**Chunlei Investment**"), a company wholly-owned by a trust named the Chunlei Trust (the "**Zhang Family Trust**"), directly holds the entire issued share capital of each of Boyaa Global Limited and Emily Technology Limited. The Zhang Family Trust is a discretionary trust established by Mr. Zhang Wei (as the settlor) and the discretionary beneficiaries of which include Mr. Zhang Wei and his children. Accordingly, Mr. Zhang Wei is deemed to be interested in the 176,572,474 Shares and 69,665,000 Shares held by each of Boyaa Global Limited and Emily Technology Limited under the SFO, respectively. Mr. Zhang Wei is also beneficially interested in 9,391,000 Shares.
- (3) Cantrust (Far East) Limited, the trustee of the Zhang Family Trust, holds the entire issued share capital of Chunlei Investment through Rustem Limited (as nominee for Cantrust (Far East) Limited). Chunlei Investment in turn holds the entire issued share capital of each of Boyaa Global Limited and Emily Technology Limited. Accordingly, each of Cantrust (Far East) Limited and Chunlei Investment are deemed to be interested in the shares held by each of Boyaa Global Limited and Emily Technology Limited under the SFO, respectively.
- (4) Cantrust (Far East) Limited, the trustee of the Dai Family Trust, holds the entire issued share capital of Visioncode Holdings Limited through Rustem Limited (as nominee for Cantrust (Far East) Limited). Visioncode Holdings Limited in turn directly holds the entire issued share capital of Comsenz Holdings Limited. Accordingly, each of Cantrust (Far East) Limited and Visioncode Holdings Limited are deemed to be interested in the 36,500,000 Shares held by Comsenz Holdings Limited under the SFO.
- (5) After the adoption of 2021 RSU Scheme (terminated on 28 March 2024) and the 2024 RSU Scheme, the RSUs under the two RSU Schemes were held by Core Administration RSU Limited (indirectly held by The Core Trust Company Limited through its wholly-owned subsidiary, TCT (BVI) Limited). As at 31 December 2024, Core Administration RSU Limited held 41,072,991 shares underlying the RSUs. In addition, the share options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were held by The Core Admin Boyaa Option Limited (indirectly held by The Core Trust Company Limited through its wholly-owned subsidiary TCT (BVI) Limited). As at 31 December 2024, The Core Admin Boyaa Option Limited held 3,372,154 shares underlying the share options.
- (6) As at 31 December 2024, the Company had 710,183,730 issued Shares.
- (7) Pursuant to Section 336 of the SFO, the shareholders are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the Stock Exchange unless several criteria have been fulfilled, therefore a shareholder's latest shareholding in the Company may be different from the shareholding filed with the Stock Exchange.

Save as disclosed above, as at 31 December 2024, no persons (other than the directors or the chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.



# Directors' Report

## MAJOR CUSTOMERS AND SUPPLIERS

The game players make payments through various payment collection channels. Therefore, the ultimate customers of the Group are individual game players. The Group collects payments from the sales of its in-game virtual items directly from the payment collection channels of the Group and not directly from individual game players. For the year ended 31 December 2024, the five largest payment collection channels contributed a total of approximately 56.1% of the Group's total revenue. Currently, Google is the largest payment collection channel, contributed approximately 18.6% of the Group's total revenue, for the same period. Any restriction on access to these payment collection channels may lead to loss or slower growth of our game player base, our business and financial condition. In the meantime, we are trying to seek additional payment methods and offer more payment options for players to ensure the normal development of our business. The average length of business relationship with the five largest payment collection channels is approximately 14 years. In particular, the length of business relationship with Google, the largest payment collection channel, is approximately 13 years.

The credit terms of trade receivables granted to our major customers, i.e. the platforms and third party payment vendors, are generally 30 to 120 days, which is generally in line with those granted to other customers. Ageing analysis based on recognition date of the trade receivables, net of allowance, at the balance sheet date is as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
0 - 60 days	23,738	28,652
61 - 90 days	228	448
91 - 180 days	225	142
Over 180 days	94	127
	<b>24,285</b>	29,369

As at 31 December 2024, trade receivables past due but not impaired were approximately RMB2,837,000 (31 December 2023: approximately RMB7,796,000). These related to a number of independent platforms and third party payment vendors which the Group has not encountered any credit defaults in the past and they are assessed to be financially trustworthy. As a result, the Directors of the Company consider that these overdue amounts can be recovered. For details of the Group's trade receivables, please refer to Note 26 to the consolidated financial statements of this annual report.

Data centres that provide server hosting and leasing services are the major suppliers of the Group. During the Reporting Period, the purchases from the Group's five largest suppliers accounted for approximately 33.1% of the Group's total purchases from all of the suppliers for the same period and the purchases from the Group's largest supplier included therein amount to approximately 9.5%.

None of our Directors, any of their close associates or any Shareholders that, to the knowledge of our Directors, own more than 5% of the issued share capital of the Company had any interest in any of the five largest payment collection channels and the five largest suppliers during the year ended 31 December 2024.





# Directors' Report

## AUDIT COMMITTEE

The audit committee of the Company (the **"Audit Committee"**) has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024. There is no disagreement between the Board and the Audit Committee regarding accounting treatment adopted by the Company.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company, although there are no restrictions against such rights under the laws in the Cayman Islands.

## EMOLUMENT POLICY

The Directors of the Company believe that maintaining a stable and motivated employee force is critical to the development of the Group's business. The Company is able to provide its employees with ample career development choices and opportunities of advancement. The Company organises various training programs on a regular basis for its employees to enhance their knowledge and skills of online game development and operation, improve time management and internal communication skills and strengthen team building. The Company also provides various incentives to better motivate its employees. In addition to providing performance-based bonuses and share-based awards, the Company also offers unsecured, low interest housing loans to employees with good performance.

The remuneration policy of the employees of the Group is set by the Board, having regards to the position, duties and performance of the employees, together with the comparable market practice. The emoluments of the Directors are determined by the Board, as recommended by Remuneration Committee, having regard to the Company's performance, personal qualifications, experience, level of responsibilities, individual contribution and comparable market statistics.

## EMPLOYEE RETIREMENT BENEFITS

Particulars of the employee retirement benefits of the Group are set out in Notes 13, 14 and 38 to the consolidated financial statements.

## PERMITTED INDEMNITIES

Pursuant to the articles of association of the Company, the Directors and other senior officers of the Company are entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director or other senior officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. Such permitted indemnity provisions are currently in force and were in force during the year ended 31 December 2024.

The Company has arranged appropriate directors' and senior management's liabilities insurance coverage for Directors and senior management of the Company which are currently in force and were in force during the year ended 31 December 2024.



## Directors' Report

### TAX RELIEF AND EXEMPTION

The Company is not aware that holders of securities of the Company are entitled to any tax relief or exemption by reason of their holding of such securities.

### PUBLIC FLOAT

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

### EVENTS AFTER THE REPORTING PERIOD

There were no other material events occurred after the Reporting Period and up to the date of this annual report.

### DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's distributable reserves calculated under the Companies Act of the Cayman Islands comprise the share premium, other reserves and accumulated loss totaling approximately RMB300,259,000 (2023: approximately RMB291,465,000).

### BANK AND OTHER LOANS

The Group did not have any short-term or long-term bank borrowings or other loans as at 31 December 2024.

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

Save as disclosed under the section "Share Option Schemes and Restricted Share Unit Schemes" of this annual report, at no time during the year ended 31 December 2024 was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.



## Directors' Report

### DIRECTORS' AND CONTROLLING SHAREHOLDERS, INTERESTS IN COMPETING BUSINESS

Mr. Zhang Wei, a controlling shareholder of the Company who resigned as a director of the Company on 21 September 2018, is one of the three directors of Shenzhen HuifuWorld Network Technology Co., Ltd.\* (深圳市滙富天下網絡科技有限公司) (a company in which Boyaa Shenzhen holds approximately 14.7% interest), which is mainly engaged in the development and operation of Internet Protocol television and Android Set-Top-Box related channels and platforms and lottery. Mr. Dai Zhikang holds approximately 4.3% equity interest in and is also one of the four directors of Blingstorm Entertainment Ltd. (晶合思動(北京)科技有限公司) (a company in which Boyaa Shenzhen holds approximately 9.4% equity interest), which is mainly engaged in provision of mobile games (other than online card and board games) in the PRC.

Save as disclosed above, as at the date of this annual report, none of the directors of the Company and directors of the Company's subsidiaries, or their respective close associates had interests in businesses, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

Further, Mr. Zhang Wei, Boyaa Global Limited and Emily Technology Limited, each a controlling Shareholder, being the covenantors (the "**Covenantors**"), has entered into a deed of non-competition (the "**Deed of Non-Competition**") in favour of the Company on 25 October 2013, pursuant to which each of the Covenantors has jointly and severally, unconditionally and irrevocably undertaken with the Company that he/it will not (except through the Group and any investment or interests held through the Group), and will procure his/its close associates (other than any member of the Group) not to, directly or indirectly (including through nominees), carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, any business which is in competition with or similar to or is likely to be in competition with the business of the Group. For details of the Deed of Non-Competition, please refer to the Prospectus.

The independent non-executive directors of the Company have reviewed the compliance with the non-competition undertaking by the Covenantors under the Deed of Non-Competition and are of the view that such non-competition undertaking has been complied with during the year ended 31 December 2024. Each of the Covenantors has provided to the Company a written confirmation in respect of his/its compliance with the Deed of Non-Competition.

\* For identification purpose only



## Directors' Report

### CONNECTED TRANSACTIONS

#### *Continuing Connected Transactions*

Reference is made to the section headed "History, Reorganisation and Corporate Structure – Contractual Arrangements" in the Prospectus. The Company, as a foreign investor, is prohibited from holding equity interest in Boyaa Shenzhen, the PRC operating entity of the Company, which conducts the online games business and is considered to be engaged in the provision of value-added telecommunications services as a result of the operations of our websites. As a result, the Group, through a wholly-owned subsidiary of the Company, Boyaa On-line Game Development (Shenzhen) Co., Limited ("**Boyaa PRC**"), has entered into a series of contractual arrangements (the "**Contractual Arrangements**") with Boyaa Shenzhen such that the Group can conduct its business operations indirectly in the PRC through Boyaa Shenzhen while complying with applicable PRC law and regulations. The Contractual Arrangements are designed to provide the Group with effective control over the financial and operational policies of Boyaa Shenzhen and, to the extent permitted by PRC law and regulations, the right to acquire the equity interests in and/or the assets of Boyaa Shenzhen through Boyaa PRC. As the Group operates its online games business through Boyaa Shenzhen, which is controlled by Mr. Zhang Wei and the Group does not hold any direct equity interest in Boyaa Shenzhen, the Contractual Arrangements were entered into on 15 May 2013 pursuant to which all material business activities of Boyaa Shenzhen are instructed and supervised by the Group, through Boyaa PRC, and all economic benefits and risks arising from the business of Boyaa Shenzhen are transferred to the Group. Further details of the reasons for using the Contractual Arrangements are set out in the section headed "Directors' Report – Contractual Arrangements – Reasons for Contractual Arrangements" below.

The Contractual Arrangements currently in effect comprise of six agreements, namely (a) the Exclusive Business Consulting and Service Agreement, (b) the Business Operating Agreement, (c) the Exclusive Option Agreement, (d) the Equity Pledge Agreement, (e) the Intellectual Properties License Agreement and (f) the Loan Agreement, which were entered into between or amongst Boyaa Shenzhen, Boyaa PRC, Mr. Zhang Wei and/or Mr. Dai Zhikang (as the case may be).

Mr. Zhang Wei is a substantial Shareholder (as defined in the Listing Rules) of the Company. He is therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Boyaa Shenzhen is owned as to 98% by Mr. Zhang Wei and hence an associate of Mr. Zhang Wei. Boyaa Shenzhen is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. In addition, Mr. Dai Zhikang is an executive Director and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules.



# Directors' Report

## Contractual Arrangements

### Reasons for Contractual Arrangements

The Group is primarily engaged in the development and operation of online card and board games business and is considered to be engaged in the provision of value-added telecommunications services as a result of the operations of the websites of the Group. The Group conducts online games business through a PRC operating entity, Boyaa Shenzhen. Operations of online games business are considered as providing value-added telecommunications services and internet content services (including online publishing services and internet cultural business (except music)). According to provisions on the Administration of Foreign-funded Telecommunications Enterprises (which has taken effect on 1 May 2022)<sup>(1)</sup> issued by the State Council on 11 December 2001 and amended on 10 September 2008, 6 February 2016 and 29 March 2022, and the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024) published by the National Development and Reform Commission and the Ministry of Commerce on 6 September 2024 and effective from 1 November 2024, foreign investors are not allowed to hold more than 50% of the equity interest in a company providing value-added telecommunications services (except for e-commerce, domestic multi-party communication, store and forward, and call center), and they are prohibited from providing internet content services (including but not limited to online publishing services, internet cultural business (except music), etc.). Commercial operators providing relevant services must obtain licenses for the provision of value-added telecommunications services and internet content services required for the operation of online games business (the “**Necessary Licenses**”) from the appropriate competent authorities. Boyaa Shenzhen has obtained the Necessary Licenses for the operations of the Group. Therefore, in order for the Group to be able to carry on its online games business in China in compliance with the applicable PRC laws and regulations, the Group entered into the Contractual Arrangements with Boyaa Shenzhen through an indirect wholly-owned subsidiary, Boyaa PRC, pursuant to which the Group will be able to assert management control over the operations of, and enjoy all economic benefits of, Boyaa Shenzhen. In addition, the Group will be able to consolidate Boyaa Shenzhen’s financial results in the results of the Company under IFRS as if it was a wholly-owned subsidiary of the Company. There are no new Contractual Arrangements entered into, renewed or reproduced between the Group and Boyaa Shenzhen during the year ended 31 December 2024. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the year ended 31 December 2024. During the year ended 31 December 2024, none of the agreements underlying the Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of the Contractual Arrangements has been removed.

Note:

- (1) The amended Administration of Foreign-funded Telecommunications Enterprises has deleted the “Qualification Requirement” regarding a foreign investor. That is to say, the requirements which previously required that a foreign investor must have a good track record and experience in providing valued-added telecommunication services are no longer applicable.

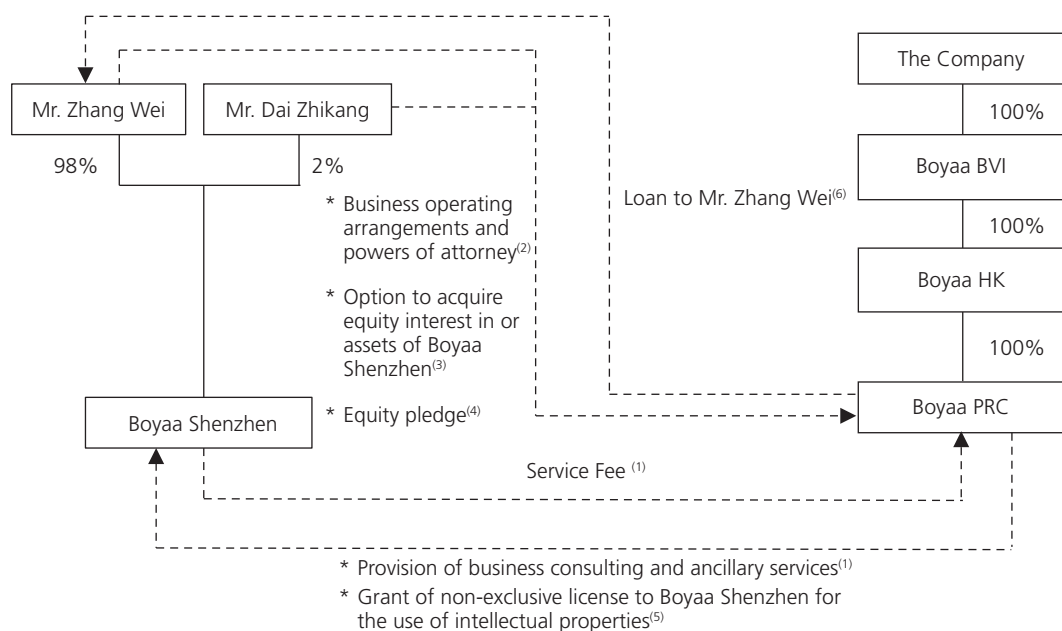


## Directors' Report

Boyaa Shenzhen is significant to the Group as it holds certain Necessary Licenses and permits that are essential to the operation of the business of the Group, including Value-added Telecommunications Business License, Online Publishing Services License and Internet Culture Business License, etc. In addition, Boyaa Shenzhen also holds certain intellectual property rights, including software copyrights, trademarks, patents and domain names. The revenue and the total asset value of Boyaa Shenzhen subject to the Contractual Arrangements amounted to approximately RMB167.7 million for the year ended 31 December 2024 and approximately RMB369.8 million as at 31 December 2024, respectively.

### **Illustrative diagram of, and agreements underlying, the Contractual Arrangements**

The following simplified diagram illustrates the flow of economic benefits from Boyaa Shenzhen to the Group stipulated under the Contractual Arrangements:



Notes:

- (1) Please refer to the paragraph headed "Exclusive Business Consulting and Service Agreement" below for details.
- (2) Please refer to the paragraph headed "Business Operating Agreement" below for details.
- (3) Please refer to the paragraph headed "Exclusive Option Agreement" below for details.
- (4) Please refer to the paragraph headed "Equity Pledge Agreement" below for details.
- (5) Please refer to the paragraph headed "Intellectual Properties License Agreement" below for details.
- (6) Please refer to the paragraph headed "Loan Agreement" below for details.



## Directors' Report

### (a) *Exclusive Business Consulting and Service Agreement*

Boyaa PRC and Boyaa Shenzhen entered into the Exclusive Business Consulting and Service Agreement (as restated and amended) on 15 May 2013, pursuant to which Boyaa Shenzhen agreed to engage Boyaa PRC as its exclusive consultant and service provider. Accordingly, Boyaa PRC shall provide advice and recommendations to Boyaa Shenzhen in respect of (i) consulting services in respect of the management and operations of Boyaa Shenzhen, (ii) consulting services in respect of the standardisation of the operating system of Boyaa Shenzhen, (iii) consulting services in respect of market research and sales and marketing strategies, (iv) technical consulting services in respect of hardware, database and server operations, (v) the maintenance and upgrade of the online games operated by Boyaa Shenzhen, (vi) research and development of online game software and maintenance of the system, (vii) renting of certain office equipment (such as computers) and other operating equipment (save for relevant servers for the operations of the online games), (viii) branding, marketing and other promotion, (ix) training in respect of online game technology and operations related matters, (x) the grant of the use of all intellectual properties owned by Boyaa PRC pursuant to the terms of the Intellectual Properties License Agreement, (xi) human resources support, including but not limited, staff secondment arrangement and (xii) other service areas as agreed between the parties.

In addition, pursuant to the Exclusive Business Consulting and Service Agreement, without the prior written approval from Boyaa PRC, Boyaa Shenzhen shall not enter into any transactions (save as those transactions entered into in the ordinary course of business) that may affect its assets, obligations, rights or operation, including but not limited to (i) the disposal, transfer or acquisition of any assets, (ii) the provision of any guarantee or create any encumbrances relating to its assets, (iii) the entering into of any material contracts and (iv) any merger, acquisition or restructuring of Boyaa PRC.

Pursuant to the Exclusive Business Consulting and Service Agreement, Boyaa Shenzhen shall pay to Boyaa PRC a service fee that equals to the profit before taxation of Boyaa Shenzhen, after off-setting the prior-year loss (if any), working capital requirements, expenses and tax of Boyaa Shenzhen in any given year, and Boyaa PRC shall have the right to adjust the level of the service fee based on the actual service scope and with reference to the operating conditions and expansion needs of Boyaa Shenzhen. Boyaa Shenzhen has agreed to pay the service fee within one month after each quarter end for the services provided in the preceding quarter.

The Exclusive Business Consulting and Service Agreement is for a term of ten years commencing from 15 May 2013, the date of the agreement, and has been automatically extended for another ten years pursuant to its the terms and at the discretion of Boyaa PRC. The payment of the service fees for the first quarter of 2013 by Boyaa Shenzhen to Boyaa PRC took retrospective effect from January 2013. The Exclusive Business Consulting and Service Agreement may be terminated by Boyaa PRC by giving Boyaa Shenzhen a 30-day prior written notice of termination and shall be terminated upon the transfer of the entire equity interests in and/or the transfer of all assets of Boyaa Shenzhen to Boyaa PRC or its designated person pursuant to the Exclusive Option Agreement. Boyaa Shenzhen is not contractually entitled to terminate the Exclusive Business Consulting and Service Agreement with Boyaa PRC.





## Directors' Report

### **(b) Business Operating Agreement**

Boyaa PRC, Mr. Zhang Wei, Mr. Dai Zhikang and Boyaa Shenzhen entered into the Business Operating Agreement (as restated and amended) on 15 May 2013, and as further amended and supplemented by the supplemental agreement dated 22 October 2013, pursuant to which Mr. Zhang Wei and Mr. Dai Zhikang agreed to enter into powers of attorney to unconditionally and irrevocably authorise any individual(s) appointed by Boyaa PRC to exercise all of their rights and powers as shareholders of Boyaa Shenzhen. Each of the individuals appointed by Boyaa PRC must be one of the directors of Boyaa Interactive (Hong Kong) Limited ("**Boyaa HK**"), Boyaa Holdings Limited ("**Boyaa BVI**") or the Company who is a PRC citizen, and cannot be Mr. Zhang Wei, Mr. Dai Zhikang or any of their associates. Such individuals act on Mr. Zhang Wei's and Mr. Dai Zhikang's behalf on all matters pertaining to Boyaa Shenzhen and, to the extent permissible under applicable PRC laws, exercise all of their respective rights as a shareholder thereof, including (i) rights to attend shareholders' meeting, (ii) rights to exercise voting rights in a shareholders' meeting, (iii) rights to sign minutes of the meetings, (iv) rights to file documents with relevant governmental authorities or regulatory bodies, (v) rights to appoint directors, supervisors and senior management, (vi) right to decide on any acquisition or disposal of the equity interest of Mr. Zhang Wei and Mr. Dai Zhikang in Boyaa Shenzhen or the winding-up or dissolution of Boyaa Shenzhen, (vii) right to instruct directors and senior management of Boyaa Shenzhen to act in accordance with all instructions of Boyaa PRC or its designated person and (viii) such other shareholders' rights as stipulated under applicable PRC laws, rules and regulations and the articles of association of Boyaa Shenzhen. In addition, it is also agreed that Boyaa PRC or its designee shall have the right to obtain and review the operating statistics, business data, financial information, employee information and other information relevant to the operations and business of Boyaa Shenzhen. Pursuant to the Business Operating Agreement, in the event that Boyaa PRC or its designee decided to voluntarily wind-up or dissolve Boyaa Shenzhen, each of Mr. Zhang Wei and Mr. Dai Zhikang undertakes that he will ensure and procure the execution of all related documents and completion of all relevant procedures required for completing the liquidation and winding-up process and that Boyaa PRC shall be transferred, at nil consideration, all remaining assets of Boyaa Shenzhen upon liquidation.

The Business Operating Agreement is for an indefinite term commencing from 15 May 2013, the date of the agreement, until it is terminated (i) by Boyaa PRC by giving Boyaa Shenzhen a 30-day prior written notice of termination, or (ii) upon the transfer of the entire equity interests held by either Mr. Zhang Wei and/or Mr. Dai Zhikang in, and/or the transfer of all assets of, Boyaa Shenzhen to Boyaa PRC or its designated person pursuant to the Exclusive Option Agreement. Boyaa Shenzhen is not contractually entitled to terminate the Business Operating Agreement with Boyaa PRC. Under the Business Operating Agreement, each of Mr. Zhang Wei and Mr. Dai Zhikang warranted to Boyaa PRC that appropriate arrangements have been made to protect Boyaa PRC's interests in the event of his death, bankruptcy or divorce to avoid any practical difficulties in enforcing the Business Operating Agreement.



## Directors' Report

### **Power of attorney**

On 15 May 2013, each of Mr. Zhang Wei and Mr. Dai Zhikang has executed a power of attorney, as amended and supplemented by the clarification to the power of attorney on 22 October 2013, pursuant to the terms of the Business Operating Agreement. Under each of the power of attorney, each of Mr. Zhang Wei and Mr. Dai Zhikang irrevocably confirmed that the power of attorney shall remain in full force and effect within the term of the Business Operating Agreement unless Boyaa PRC requests to replace the appointed designee of Boyaa PRC under the power of attorney. Pursuant to the power of attorney, each of the shareholders of Boyaa Shenzhen agrees to authorise any individual(s) appointed by Boyaa PRC to exercise all of their rights and powers as shareholders of Boyaa Shenzhen. Each of the individuals appointed by Boyaa PRC must be one of the directors of Boyaa HK, Boyaa BVI or the Company who is a PRC citizen and cannot be Mr. Zhang Wei, Mr. Dai Zhikang or any of their associates. These include the rights to (i) attend shareholders' meetings, (ii) exercise voting rights in shareholders' meetings to appoint directors, supervisors and senior management, (iii) decide on any acquisition or disposal of the equity interest of Mr. Zhang Wei and Mr. Dai Zhikang in Boyaa Shenzhen or the winding-up or dissolution of Boyaa Shenzhen, (iv) file documents with relevant governmental authorities or regulatory bodies, to (v) instruct directors and senior management of Boyaa Shenzhen to act in accordance with all instructions of Boyaa PRC or its designated person, and (vi) exercise such other shareholders' rights as stipulated under applicable PRC laws, rules and regulations and the articles of association of Boyaa Shenzhen.

### **(c) Exclusive Option Agreement**

Boyaa PRC, Mr. Zhang Wei, Mr. Dai Zhikang and Boyaa Shenzhen entered into the Exclusive Option Agreement on 15 May 2013, and as further amended and supplemented by the supplemental agreement dated 22 October 2013, pursuant to which Mr. Zhang Wei and Mr. Dai Zhikang jointly and severally granted to Boyaa PRC or a subsidiary of the Company or an authorised director (being a PRC citizen) of any company within our Group irrevocable options to purchase, to the extent permitted by PRC laws and regulations, their equity interests in Boyaa Shenzhen, entirely or partially, at the minimum purchase price permitted under PRC laws and regulations. In addition, pursuant to the Exclusive Option Agreement, Boyaa Shenzhen granted to Boyaa PRC, a subsidiary of the Company or an authorised director (being a PRC citizen) of any company within the Group an irrevocable option to acquire, to the extent permitted by PRC laws and regulations, all or part of the assets of Boyaa Shenzhen at the net book value of such assets or such minimum purchase price permitted under PRC laws and regulations. Boyaa PRC, such subsidiary or authorised director may exercise such options at any time until it has acquired all equity interests and/or assets of Boyaa Shenzhen, subject to applicable PRC laws and regulations. It is also agreed that when the relevant PRC law permits the equity interests of Boyaa Shenzhen to be directly held by Boyaa PRC while it continues to operate its online games business, the parties will carry out all necessary actions to implement the transfer of all the shares of Boyaa Shenzhen to Boyaa PRC pursuant to the exercise of the option granted under the Exclusive Option Agreement.



## Directors' Report

Pursuant to the Exclusive Option Agreement, Boyaa Shenzhen has undertaken to perform certain acts or refrain from performing certain other acts unless it has obtained prior approval from Boyaa PRC, including but not limited to the following matters:

- (i) Boyaa Shenzhen shall not alter its constitutional documents or its registered capital;
- (ii) Boyaa Shenzhen shall prudently and effectively operate its business and transactions in accordance with good financial and business standards;
- (iii) Boyaa Shenzhen shall not sell, transfer, create encumbrances or otherwise dispose of any assets, business, legal or beneficial interest of its income or allow any guarantee or security to be created on its assets;
- (iv) Boyaa Shenzhen shall not incur, take up, guarantee or allow any indebtedness other than those in the ordinary course of business and having been disclosed to and consented by Boyaa PRC in writing;
- (v) Boyaa Shenzhen shall not enter into any material contracts with an amount of over RMB1 million other than in the ordinary course of business;
- (vi) Boyaa Shenzhen shall operate its business in order to maintain its asset value or not allow any acts or omission which adversely affects its business or assets value;
- (vii) Boyaa Shenzhen shall not engage in any mergers or acquisitions or make investment in any entities;
- (viii) Boyaa Shenzhen shall immediately inform Boyaa PRC if its assets or business are involved in any disputes, litigations, arbitrations or administrative proceedings; and
- (ix) Boyaa Shenzhen shall not distribute any dividend to Mr. Zhang Wei or Mr. Dai Zhikang. Each of Mr. Zhang Wei and Mr. Dai Zhikang shall transfer all distributable dividends, capital dividend and other assets receivable by him at nil consideration to Boyaa PRC as soon as practicable but in any event no later than three days upon receipt of the same by any of them.

The Exclusive Option Agreement is for an indefinite term commencing on 15 May 2013, being the date of the agreement, until it is terminated (i) by Boyaa PRC by giving Boyaa Shenzhen a 30-day prior written notice of termination, or (ii) upon the transfer of the entire equity interests held by either Mr. Zhang Wei and/or Mr. Dai Zhikang in Boyaa Shenzhen and/or the transfer of all the assets of Boyaa Shenzhen to Boyaa PRC or its designated person. Boyaa Shenzhen is not contractually entitled to terminate the Exclusive Option Agreement with Boyaa PRC.



## Directors' Report

### **(d) Equity Pledge Agreement**

Boyaa PRC, Mr. Zhang Wei and Mr. Dai Zhikang entered into the Equity Pledge Agreement (as restated and amended) on 15 May 2013, pursuant to which each of Mr. Zhang Wei and Mr. Dai Zhikang agreed to pledge all of their respective equity interests in Boyaa Shenzhen to Boyaa PRC to secure performance of all their obligations and the obligations of Boyaa Shenzhen under the Exclusive Business Consulting and Service Agreement, the Business Operating Agreement, the Exclusive Option Agreement, the Intellectual Properties License Agreement and the Loan Agreement underlying the Contractual Arrangements.

Under the Equity Pledge Agreement, Mr. Zhang Wei and Mr. Dai Zhikang represent and warrant to Boyaa PRC that appropriate arrangements have been made to protect Boyaa PRC's interests in the event of death, bankruptcy or divorce of the Shareholders to avoid any practical difficulties in enforcing the Equity Pledge Agreement. If Boyaa Shenzhen declares any dividend during the term of the pledge, Boyaa PRC is entitled to receive all such dividends, bonus issue or other income arising from the pledged equity interests, if any. If any of Mr. Zhang Wei and Mr. Dai Zhikang breaches or fails to fulfill the obligations under any of the aforementioned agreements, Boyaa PRC, as the pledgee, will be entitled to dispose of the pledged equity interests, entirely or partially. In addition, pursuant to the Equity Pledge Agreement, each of Mr. Zhang Wei and Mr. Dai Zhikang has undertaken to Boyaa PRC, among other things, not to transfer the interest in his equity interests in Boyaa Shenzhen and not to create or allow any pledge thereon that may affect the rights and interest of Boyaa PRC without its prior written consent.

The Equity Pledge Agreement is for an indefinite term commencing on 15 May 2013, being the date of the agreement, until (i) all the agreements (other than this Equity Pledge Agreement) underlying the Contractual Arrangements have been terminated, or (ii) all the obligations under the Equity Pledge Agreement have been fulfilled.

### **(e) Intellectual Properties License Agreement**

Boyaa PRC and Boyaa Shenzhen entered into the Intellectual Properties License Agreement on 15 May 2013, pursuant to which Boyaa PRC agrees to grant a non-exclusive license to Boyaa Shenzhen for the use of all its existing and future intellectual properties, including but not limited to trademarks, patents and copyright and whether registered or non-registered. Pursuant to the Intellectual Properties License Agreement, Boyaa Shenzhen is licensed to use such intellectual properties strictly in the operation of its telecommunication value-added services and Internet cultural services and Boyaa Shenzhen cannot sub-license such intellectual properties to any third parties or use such intellectual properties for any other purpose. Such license is only effective onshore in the PRC and does not apply to any direct or indirect use of such intellectual properties in any other territories or jurisdictions. Pursuant to the terms of the Intellectual Properties License Agreement, the license fee and royalty to be charged by Boyaa PRC for the use of such intellectual properties by Boyaa Shenzhen are included as part of the service fee under the Exclusive Business Consulting and Service Agreement.

The Intellectual Properties License Agreement is for a term of ten years commencing from 15 May 2013, being the date of the agreement, and has been automatically extended for another ten years pursuant to its terms and at the discretion of Boyaa PRC, until it is terminated by Boyaa PRC by giving Boyaa Shenzhen a 30-day prior written notice of termination.



## Directors' Report

### (f) *Loan Agreement*

In order to satisfy the funding needs of Boyaa Shenzhen, Mr. Zhang Wei borrowed a sum of RMB8,000,000 from a third party in 2012. On 15 May 2013, Boyaa PRC and Mr. Zhang Wei entered into the Loan Agreement, and as amended and supplemented by the supplemental agreement dated 22 October 2013, pursuant to which Boyaa PRC agreed to lend RMB8,000,000 to Mr. Zhang Wei to allow him to repay the RMB8,000,000 loan which he had borrowed for the purpose of his additional capital contributions in Boyaa Shenzhen in May 2012. Pursuant to the Loan Agreement, the parties agreed to enter into the Exclusive Option Agreement where Boyaa PRC has the right to exercise a call option granted by Mr. Zhang Wei to acquire all or part of the equity interest in Boyaa Shenzhen held by Mr. Zhang Wei at the minimum consideration that is permissible under law. In addition, to secure the performance of all obligations of Mr. Zhang Wei under the Loan Agreement and all other agreements (other than the Equity Pledge Agreement) underlying the Contractual Arrangements, the parties shall enter into the restated and amended Equity Pledge Agreement where, among others, Mr. Zhang Wei pledges all of his equity interests in Boyaa Shenzhen to Boyaa PRC.

The Loan Agreement is for a term of ten years commencing from 15 May 2013, being the date of the agreement, and has been automatically extended for another ten years. The loan will become due and payable upon Boyaa PRC's demand under any of the following circumstances: (i) Mr. Zhang Wei resigns or is being removed from the various positions held by him in the Group, (ii) the death or incapacity of Mr. Zhang Wei, (iii) Mr. Zhang Wei being engaged or involved in criminal activities, (iv) Mr. Zhang Wei becoming insolvent or incurring any other significant personal debt which may affect Mr. Zhang Wei's ability to repay the personal loan under the Loan Agreement, or (v) Boyaa PRC exercising its option to purchase all equity interests in Boyaa Shenzhen held by Mr. Zhang Wei to the extent permitted by PRC laws and regulations as soon as the PRC foreign ownership restrictions applicable to the Group's online games business have been lifted. The Loan Agreement provides that the loan can only be repaid by Mr. Zhang Wei using proceeds he will receive upon Boyaa PRC's exercise of its irrevocable option to purchase Boyaa Shenzhen's equity interests or assets pursuant to the Exclusive Option Agreement.

Apart from the above, there are no new Contractual Arrangements entered into, renewed or reproduced between the Group and Boyaa Shenzhen during the year ended 31 December 2024. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the year ended 31 December 2024.

During the year ended 31 December 2024, none of the agreements underlying the Contractual Arrangements mentioned above has been unwound as none of the restrictions that led to the adoption of the Contractual Arrangements has been removed.

Except the continuing connected transactions conducted under the Contractual Arrangements, none of the other related party transactions as stated in Note 38 to the Consolidated Financial Statements constitutes a connected transaction or continuing connected transaction which are required to be disclosed under Chapter 14A of the Listing Rules. The disclosure on the continuing connected transactions conducted under the Contractual Arrangements has complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules. For details of the aforesaid disclosure, please refer to this section headed "Connected Transactions" in the Directors' Report of this report.



## Directors' Report

### *Risks associated with the Contractual Arrangements and the actions taken by the Company to mitigate the risks*

#### **Risks associated with the Contractual Arrangements**

#### **Mitigation actions taken by the Company**

- i. If the PRC government finds that the agreements that establish the structure for operating the Group's online game businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of the Group's interest in its variable interest entity ("VIE"), i.e. Boyaa Shenzhen.

Pursuant to each of the agreements underlying the Contractual Arrangements, at any time after the date of such agreements, in the event of any promulgation or change of any law, regulation or rule of China or any interpretation or applicable change on such laws, regulations or rules leading to any provision in any of the agreements underlying the Contractual Arrangements is held to be or becomes illegal, invalid or unenforceable in any respect under the law of the applicable jurisdiction:

- (a) so far as it is illegal, invalid and unenforceable, it shall be given no effect and shall be deemed not to be included in the relevant agreement and shall not affect or impair the legality, validity or enforceability in that jurisdiction of the other provisions of the agreement, or of that or any provisions of the relevant agreement in any other jurisdictions; and
- (b) the parties shall use all reasonable endeavors to replace it with a valid and enforceable substitute provision or provisions but differing from the replaced provision as little as possible and the effect of which is as close to the intended effect of the illegal, invalid or unenforceable provision.

In addition, pursuant to the agreements underlying the Contractual Arrangements, the parties agreed and will ensure that they will unwind the Contractual Arrangements as soon as the law allows the business to be operated without them.



## Directors' Report

### Risks associated with the Contractual Arrangements

### Mitigation actions taken by the Company

- |   |   |
|---|---|
| <p>ii. The Group relies on the Contractual Arrangements to control and obtain the economic benefits from Boyaa Shenzhen which may not be as effective in providing operational control as direct ownership.</p> | <p>Each of Mr. Zhang Wei (the controlling shareholder of the Company) and Mr. Dai Zhikang (the Chairman of the Board and executive director), being the registered shareholders of Boyaa Shenzhen, has executed a power of attorney pursuant to the terms of the Business Operating Agreement. Pursuant to the power of attorney, each of the shareholders of Boyaa Shenzhen agrees to authorise any individual(s) appointed by Boyaa PRC to exercise all of their rights and powers as shareholders of Boyaa Shenzhen. These include the rights to (i) attend shareholders' meetings, (ii) exercise voting rights in shareholders' meetings to appoint directors, supervisors and senior management, (iii) decide on any acquisition or disposal of the equity interest of Mr. Zhang Wei and Mr. Dai Zhikang in Boyaa Shenzhen or the winding-up or dissolution of Boyaa Shenzhen, (iv) file documents with relevant governmental authorities or regulatory bodies, (v) to instruct directors and senior management of Boyaa Shenzhen to act in accordance with all instructions of Boyaa PRC or its designated person, and (vi) exercise such other shareholders' rights as stipulated under applicable PRC laws, rules and regulations and the articles of Boyaa Shenzhen.</p> |
| <p>iii. The shareholders of Boyaa Shenzhen may have conflicts of interest with the Group, which may materially and adversely affect the Group's business.</p>   | <p>Pursuant to the Exclusive Option Agreement, the Company has the option to (i) purchase or to designate a third party to purchase the equity interests of the existing shareholders of Boyaa Shenzhen when and to the extent permitted by law and (ii) acquire, to the extent permitted by PRC laws and regulations, all or part of the assets of Boyaa Shenzhen at the net book value of such assets or such minimum purchase price permitted under PRC laws and regulations. Each of Boyaa Shenzhen's shareholders has executed a power of attorney to authorise any individual(s) appointed by Boyaa PRC to exercise all of their rights and powers as shareholders of Boyaa Shenzhen.</p>   |





## Directors' Report

### Risks associated with the Contractual Arrangements

### Mitigation actions taken by the Company

- In addition, to ensure that Mr. Zhang Wei, Mr. Dai Zhikang and Boyaa Shenzhen will comply with the Contractual Arrangements, the Company has further introduced the following measures:
- i. the three independent non-executive Directors will review the effectiveness on implementation of the procedures and controls and compliance of the Contractual Arrangements;
  - ii. each of Mr. Zhang Wei and Mr. Dai Zhikang shall abstain from voting on any resolutions of Boyaa Shenzhen in which he may have conflicts of interest, and all resolutions shall be passed unanimously or by the affirmative vote of a simple majority of the board of Boyaa Shenzhen (as the case may be), and if any resolution could not be passed by the board of Boyaa Shenzhen unanimously or by a simple majority of votes (as the case may be), such resolution would be considered as disapproved; and
  - iii. the Group has implemented corporate governance measures to manage any conflicts of interest between the Group and the Directors.
- iv. The Group may lose the ability to use and enjoy assets held by the VIE that are important to the operation of its business if the VIE declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.
- Pursuant to the Business Operating Agreement, in the event that Boyaa PRC or its designee decided to voluntary wind-up or dissolve Boyaa Shenzhen, each of Mr. Zhang Wei and Mr. Dai Zhikang undertakes that he will ensure and procure the execution of all related documents and completion of all relevant procedures required for completing the liquidation and winding-up process and that Boyaa PRC shall be transferred, at nil consideration, all remaining assets of Boyaa Shenzhen upon liquidation.
- In addition, under the Business Operating Agreement and the Equity Pledge Agreement, Mr. Zhang Wei and Mr. Dai Zhikang warrant to Boyaa PRC that appropriate arrangements have been made to protect Boyaa PRC's interests in the event of his death, bankruptcy or divorce to avoid any practical difficulties in enforcing the agreements underlying the Contractual Arrangements.



## Directors' Report

### Risks associated with the Contractual Arrangements

### Mitigation actions taken by the Company

- v. The Contractual Arrangements between Boyaa PRC and Boyaa Shenzhen may subject the Group to increase income tax due to the different income tax rates applicable to Boyaa PRC and Boyaa Shenzhen, which may adversely affect the Group's results of operations.

Boyaa PRC has successfully renewed its "High and New Technology Enterprise" ("HANTE") qualification under PRC Enterprise Income Tax Law during the year ended 31 December 2022 and as a result, Boyaa PRC enjoy a preferential tax rate of 15% from 1 January 2022 to 31 December 2024. Therefore, the applicable tax rate for Boyaa PRC was 15% (2023: 15%) for the year ended 31 December 2024.

Boyaa Shenzhen temporarily has not renewed its HANTE qualification since 2022. Therefore, the applicable tax rate for Boyaa Shenzhen was 25% (2023: 25%) for the year ended 31 December 2024. However, no provision for income tax has been provided as Boyaa Shenzhen has no assessable profit during the year, and therefore during the Reporting Period, it did not lead to an increase in the Group's income tax and it did not adversely affect the Group's results of operations.

For details, please see Note 12 to the consolidated financial statements of this annual report.

- vi. The Contractual Arrangements between Boyaa PRC and Boyaa Shenzhen may be subject to scrutiny by the PRC tax authorities and any finding that the Group or Boyaa Shenzhen owe additional taxes could substantially reduce the Group's consolidated net income and the value of the investment of investors.

The Group will work closely with its tax advisors to ensure that all tax filings are made promptly and any questions raised by PRC tax authorities are addressed in a timely and satisfactory manner.



## Directors' Report

### Risks associated with the Contractual Arrangements

- vii. On 15 March 2019, the Foreign Investment Law 2019 was adopted by the Second Session of the Thirteenth National People's Congress and had taken effect on 1 January 2020.

Under the Foreign Investment Law 2019 and relevant provisions of its implementation regulations, substantial uncertainties exist in connection with the legality and validity of the Contractual Arrangements to hold interests in PRC businesses that are subject to foreign ownership restrictions and the Company may have to incur compliance costs in the future.

### Mitigation actions taken by the Company

Under the Foreign Investment Law 2019, the existing enterprises established under the former Foreign Investment Law may maintain their existing organizational structure within five years from the effective date of the Foreign Investment Law 2019. Meanwhile, foreign Investment Law 2019 does not explicitly stipulate the Contractual Arrangements as foreign investment. Therefore, the PRC legal advisor of the Company believes that the Foreign Investment Law 2019 does not mention the concepts including "actual control" and "control through contractual arrangements", nor does it specify regulations on control through contractual arrangements. In addition, the Foreign Investment Law 2019 and its implementing regulations do not specify the relevant business rules, but instead stipulate that "foreign investors invest through laws, administrative regulations or other methods prescribed by the State Council". The Foreign Investment Law 2019 and its implementing regulations do not specify on what actions should be taken by existing companies with variable interest entity structures and whether these companies are controlled by Chinese entities and/or citizens. Therefore, according to our PRC legal adviser, our contractual arrangements will not be affected by the "Foreign Investment Law 2019" and its implementation regulations. Nevertheless, it is still possible for China's future laws, administrative regulations or State Council regulations to stipulate contractual arrangements as a way of foreign investment. Whether our Contractual Arrangements will be recognized as foreign investment, whether it will be considered as a violation of foreign investment access and how it will be defined are still uncertain. In any event, the Company will closely monitor any update of the Foreign Investment Law 2019 and consult its PRC legal advisor to resolve specific problems or issues that may arise from the Contractual Arrangements, so as to ensure that the Company always complies with all relevant laws and regulations in the PRC.



## Directors' Report

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

A waiver has been granted by the Stock Exchange regarding strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements, (ii) the requirement of setting an annual cap for the fees payable to Boyaa PRC under the Contractual Arrangements, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less, for so long as Shares are listed on the Stock Exchange, subject to certain conditions. In addition, the Stock Exchange has also granted a waiver from strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under any new transactions, contracts, and agreements, or renewal of existing agreements to be entered into between Boyaa Shenzhen and any member of the Group (the "**New Intergroup Agreements**"), (ii) the requirement of setting an annual cap for the fees payable by/to any member of the Group to/from Boyaa Shenzhen under any New Intergroup Agreements, and (iii) the requirement of limiting the term of any New Intergroup Agreements to three years or less, for so long as Shares are listed on the Stock Exchange, subject to certain conditions.

The directors (including the independent non-executive directors) of the Company are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to the Group's legal structure and business operations, that such transactions are in the ordinary and usual course of business of the Group, are on normal commercial terms or better and are fair and reasonable, or advantageous, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

The independent non-executive directors of the Company reviewed the Contractual Arrangements and confirmed that (i) the transactions carried out during the year ended 31 December 2024 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, have been operated so that the profit generated by Boyaa Shenzhen has been substantially retained by Boyaa PRC, (ii) no dividends or other distributions have been made by Boyaa Shenzhen to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group, and (iii) no New Intergroup Agreements have been entered into between the Group and Boyaa Shenzhen during the year ended 31 December 2024.

Further, the Company's auditor was engaged to report on the Group's 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. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

By order of the Board

**Dai Zhikang**

*Chairman and Executive Director*

Hong Kong, 5 March 2025



# Corporate Governance Report

The Company is committed to achieving high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound governance policies and measures, and the Board is responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to directors and employees with reference to the Corporate Governance Code (the “**Code**”) set out in Appendix C1 to the Listing Rules and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

During the year ended 31 December 2024, the Company has complied with the applicable code provisions as set out in Part 2 of the Code.

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

## BOARD OF DIRECTORS

The Board is in charge with promoting the success of the Company by directing and supervising its affairs as well as aligning the Company’s culture with its purpose, value and strategy. The Board has general powers for the management and conduct of the Company’s business. The day-to-day operations and management are delegated by the Board to the management of the Company, who will implement the strategy and direction as determined by the Board.

The Board is also responsible for determining the policy for corporate governance of the Company and has performed the duties as set out in provision A.2.1 of the Code.

The Board currently consists of five Directors, namely Mr. Dai Zhikang (Chairman) and Ms. Tao Ying (Acting Chief Executive Officer and Joint Company Secretary) as executive Directors, and Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Ma Jingchun as independent non-executive Directors. There is no relationship (including financial, family or other material or relevant relationships) between the Directors. The Board has a balance of skills and experience appropriate for the requirements of the business of the Company.

The biographies of the directors of the Company are set out on pages 27 to 28 of this annual report.

The Company has entered into a service contract with each of the executive Directors for a term commencing on 19 April 2024 and expiring at the conclusion of forthcoming AGM, which can be further renewed by mutual agreement and the Company issued a letter of appointment to each of the independent non-executive Directors for a term commencing on 19 April 2024 and expiring at the conclusion of the forthcoming AGM, which can be further renewed by mutual agreement. All executive Directors and independent non-executive Directors will hold office subject to the provisions of retirement and rotation of directors under the articles of association of the Company. Pursuant to the articles of association of the Company, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation and be eligible for re-election, provided that every Director (including those appointed for a specific term) is subject to retirement by rotation at least once every three years. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and shall be eligible for re-election. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The terms of the service contracts and the letters of appointment may be renewed in accordance with the articles of association of the Company, the Listing Rules and any other applicable laws.



## Corporate Governance Report

Mr. Ma Jingchun was appointed as a director of the Company on 19 April 2024 and had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 10 April 2024. He had confirmed that he understood his obligations as a director of the Company.

The aggregate remuneration (including fees, salaries, contributions to pension schemes, share-based compensation expenses, discretionary bonuses, housing and other allowances and other benefits in kind) payable to the Directors (including any directors who have resigned or retired during the year) for the year ended 31 December 2024 was approximately RMB2.3 million in total.

The remuneration of the Directors is determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors, and performance of the Group. Details of the remuneration of the Directors and senior management of the Company for the year ended 31 December 2024 are set out in Notes 14 and 38 to the consolidated financial statements.

During the year ended 31 December 2024, the Company has three independent non-executive Directors, at all time in compliance with the requirement of the Listing Rules that the number of independent non-executive directors must represent at least three and one-third of the Board and at least one of the independent non-executive directors must have appropriate professional qualifications or an accounting or related financial management expertise.

The Company has received a confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

Directors have access to the company secretary to ensure that the Board procedures are followed. In compliance with Rule 3.29 of the Listing Rules, Ms. Tao Ying and Mr. Poon Ping Yeung have both undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2024. Mr. Poon Ping Yeung ("**Mr. Poon**") is the manager of the Listed & Fiduciary Corporate Services Department of Trident Corporate Services (Asia) Limited and possesses the requisite qualification and experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Tao Ying, an executive Director and the acting chief executive officer of the Company, currently does not possess the qualifications of a company secretary as required under Rules 3.28 and 8.17 of the Listing Rules. Therefore, the Company has applied to the Stock Exchange, and the Stock Exchange has granted, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules (the "**Waiver**") with respect to the appointment of Ms. Tao Ying as a Joint Company Secretary for a period of three years from 11 September 2023, being the date of appointment of Ms. Tao Ying ("**Ms. Tao**") as a Joint Company Secretary (the "**Waiver Period**") subject to the conditions that (i) Ms. Tao must be assisted by Mr. Poon as a Joint Company Secretary during the Waiver Period; (ii) the Waiver could be revoked if there are material breaches of the Listing Rules by the Company; and (iii) the Company will publish the announcement disclosing the reasons, details and conditions of the waiver, and the qualifications and experience of both Ms. Tao and Mr. Poon. For details, please refer to the announcement of the Company dated 11 September 2023. Mr. Poon's primary contact with the Company is Ms. Tao, and they work and communicate closely to discharge the functions of Joint Company Secretaries.



## Corporate Governance Report

During the Reporting Period, all Directors attended various trainings, including the trainings for directors' responsibilities and continuous obligations. The Company will arrange suitable training for all directors in order to enhance and refresh their knowledge and skills as part of their continuous professional development. Details of the training attended by the Directors during the Reporting Period are set out below:

Directors	Title	Participation of training type	Type of training
Mr. Dai Zhikang	Chairman and Executive Director	A, B, C	A: Browse and read A Guide on Directors' Duties issued by the Hong Kong Companies Registry
Ms. Tao Ying	Executive Director	A, B, C, E	
Mr. Cheung Ngai Lam	Independent non-executive Director	A, B, C	B: Browse and read the "Physical Guide to Anti-Corruption Systems for Listed Companies" issued by the Hong Kong Independent Commission Against Corruption
Mr. Choi Hon Keung Simon	Independent non-executive Director	A, B, C	
Mr. Kong Fanwei (retired on 19 April 2024)	Independent non-executive Director	N/A	
Mr. Ma Jingchun (appointed on 19 April 2024)	Independent non-executive Director	A, B, C, D	C: Browse and read the issue 11 of HKEX" Listing Regulation and Enforcement Newsletter
			D: Participate in online training for new directors of Jingtian & Gongcheng LLP
			E: Participate in the "Practical Training Course for Board Secretaries"

During the Reporting Period, the Board held 5 meetings. A total of 32 proposals were considered at these Board meetings, including proposals for the consideration of the Company's 2023 annual report, 2023 annual results announcement, 2024 first quarterly results announcement, 2024 interim report, 2024 interim results announcement, 2024 third quarterly results announcement and the proposed shareholders' mandate in relation to acquisition of cryptocurrencies, etc..

In relation to corporate governance matters, the Company had further reviewed and improved its work on corporate governance and internal control during the Reporting Period. For instance, the Company had consolidated and rationalised the internal procedures, and improved and updated certain systems in the Group, including formulating the Measures for the Management of Certificates, Licenses and Seals (Overseas) and Security Personnel work standards, and well implementing them.

The Company is committed to continuously reviewing and improving its internal systems, including those in relation to internal supervision and control, and risk management.





## Corporate Governance Report

The table below sets out the details of Board meetings attendance of each director of the Company during the Reporting Period.

Director	Number of Board meetings requiring attendance	Number of Board meetings attended
Mr. Dai Zhikang	5	5
Ms. Tao Ying	5	5
Mr. Cheung Ngai Lam	5	5
Mr. Choi Hon Keung Simon	5	5
Mr. Kong Fanwei (retired on 19 April 2024)	1	1
Mr. Ma Jingchun (appointed on 19 April 2024)	4	4

In 2024, the Company convened and held one annual general meetings, being the 2024 annual general meeting held on 19 April 2024. All of the Directors of the Company, namely Mr. Dai Zhikang, Ms. Tao Ying, Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Ma Jingchun attended the general meeting in person or by electronic means.

The chairman of the Board also held a meeting with the independent non-executive Directors without the presence of other Directors during the year.

### ***Responsibilities, Accountabilities and Contributions of the Board and Management***

The Board should assume responsibilities for leadership and control of the Company and be collectively responsible for directing and supervising the Company's affairs.

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

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.



## Corporate Governance Report

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

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

The Company has clearly set out the circumstances under which the management should report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Company regularly reviews the above circumstances and ensures they remain appropriate.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal action taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### ***Board Independence Policy***

The Company recognizes that Board independence is key to good corporate governance. For ensuring independent views and input are available to the Board, the Board has approved and adopted the board independence policy.

The Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances requires. The chairman of the Board holds separate meetings with the independent non-executive Directors without the presence of other Directors at least annually.

The Board shall review the implementation and effectiveness of the the board independence policy on an annual basis and amend its terms as and when necessary.



# Corporate Governance Report

## BOARD COMMITTEES

The Company has three principal Board committees, namely the Audit Committee, the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”). Each of the Board committees operates under its terms of reference. The terms of reference of the Board committees are available on the website of the Company and that of the Stock Exchange.

### *Audit Committee*

The Company established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Code. The Audit Committee consisted of three members, namely Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Ma Jingchun, all of whom are independent non-executive Directors. Mr. Cheung Ngai Lam is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise, and provide an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, oversee the audit process and perform other duties and responsibilities as assigned by our Board.

During the year ended 31 December 2024, the Audit Committee held 4 meetings, at which a total of 20 proposals were considered, including proposals for the consideration of the Company’s 2023 annual report, 2023 annual results announcement, 2024 first quarterly results announcement, 2024 interim report, 2024 interim results announcement, 2024 third quarterly results announcement, etc.. The Audit Committee also assessed the Company’s risk management and internal control measures, the effectiveness of the internal audit function of the Company and its other duties under the Code.

The table below sets out the details of meetings attendance of each member of the Audit Committee during the year ended 31 December 2024.

Director	Number of meetings requiring attendance	Number of meetings attended
Mr. Cheung Ngai Lam	4	4
Mr. Choi Hon Keung Simon	4	4
Mr. Kong Fanwei (retired on 19 April 2024)	1	1
Mr. Ma Jingchun (appointed on 19 April 2024)	3	3



# Corporate Governance Report

## Nomination Committee

The Company established a Nomination Committee with written terms of reference in compliance with the Code. The Nomination Committee consists of two independent non-executive Directors, being Mr. Choi Hon Keung Simon and Mr. Ma Jingchun and one executive Director, being Ms. Tao Ying. Mr. Choi Hon Keung Simon is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to review and assess the composition of the Board and the independence of the independent non-executive Directors, make recommendations to the Board on appointment and removal of Directors, and review and disclose the policy for the nomination of Directors and board diversity policy.

During the year ended 31 December 2024, the Nomination Committee held 1 meeting, at which a total of 4 proposals were considered, including proposals for the review of the Board's composition and the independence of the independent non-executive Directors, the recommendation of re-election of the retiring Directors and the review of the policy for the nomination of Directors and board diversity policy.

The table below sets out the details of meeting attendance of each member of the Nomination Committee during the year ended 31 December 2024.

Director	Number of meeting requiring attendance	Number of meeting attended
Mr. Choi Hon Keung Simon	1	1
Ms. Tao Ying	1	1
Mr. Kong Fanwei (retired on 19 April 2024)	1	1
Mr. Ma Jingchun (appointed on 19 April 2024)	N/A	N/A

## Director Nomination Policy

### a. Objective

**This Director Nomination Policy aims to:**

- Set out the criteria, process and procedures in the nomination and appointment of directors of the Company;
- Ensure that the Board of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and
- Ensure the Board continuity and appropriate leadership at the Board level.



## Corporate Governance Report

### **b. Selection Criteria**

**In evaluating and selecting any candidate for directorship, the following criteria should be considered by the Nomination Committee/Board:**

i. Character and integrity; ii. Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy; iii. Any measurable objectives adopted for achieving diversity on the Board; iv. Requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules; v. Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender and cultural diversity; vi. Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; vii. Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

### **Board Diversity Policy**

The Board has approved and adopted a board diversity policy (the "**Board Diversity Policy**"). A summary of the Board Diversity Policy is disclosed as below.

The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and in order for the Board to be effective.

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merits against objective criteria and with due regards to the benefits of diversity on the Board. Diversity of the Board will be considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on the merits and contributions that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises five Directors. Three of them are independent non-executive Directors, who provide critical review and oversight of the Company's management. The Board is also characterised by significant diversity, whether considered in terms of gender, educational background, technical and professional skills and/or qualifications. Pursuant to the Rule 13.92 of the Listing Rules, the Stock Exchange will not regard a single gender board of directors as achieving member diversity. As at the date of this report, the Board consists of one female Director and four male Directors, which is in compliance with the requirement of appointing at least a director of a different gender. The Board is of the opinion that Board diversity (including gender diversity) has been achieved with reference to the current circumstances of the Company, and the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the Shareholders.



## Corporate Governance Report

The Nomination Committee is responsible for reviewing the Board Diversity Policy and the policy for the nomination of directors, developing and reviewing measurable objectives for implementing such policies and monitoring the progress on achieving these measurable objectives at least annually and as appropriate to ensure continued effectiveness of the Board.

The Board reviews the implementation and effectiveness of the Board Diversity Policy and the policy for the nomination of directors on an annual basis.

### ***Workforce Diversity***

To achieve diversity at workforce level, the Group has put in place appropriate plans and recruitment and selection practices such that a diverse range of candidates are considered and gender diversity is taken into account when recruiting staff members of mid to senior level. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees. During the year, the Board was not aware of any constraints or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

As at 31 December 2024, the gender ratio in the workforce (including senior management) is 66% (male) : 34% (female). For further details of gender ratio together with the relevant data, please refer to the section headed “1. Employment and Labor Practices” under the Environmental, Social and Governance Report.

### ***Remuneration Committee***

The Company established a Remuneration Committee with written terms of reference in compliance with the Rule 3.25 of the Listing Rules and the Code. The Company has updated the terms of reference of the Remuneration Committee reflecting the changes to the Code and the Listing Rules, which became effective on 24 November 2022. The Remuneration Committee has three members, comprising three independent non-executive Directors, namely Mr. Cheung Ngai Lam, Mr. Choi Hon Keung Simon and Mr. Ma Jingchun. Mr. Cheung Ngai Lam is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the directors and senior management and make recommendations on employee benefit arrangement.

The Remuneration Committee has adopted the model (ii) described in code provision E.1.2(c) of the Code in its terms of reference.

During the year ended 31 December 2024, the Remuneration Committee held 1 meeting, at which a total of 2 proposals were considered, including proposals for the remuneration of the Directors and senior management, and the policy and structure of the remuneration for the Directors and senior management, the termination of the 2021 RSU Scheme, the adoption of the 2024 RSU Scheme and the proposed adoption of the 2024 Share Option Schemes.



## Corporate Governance Report

The table below sets out the details of meetings attendance of each member of the Remuneration Committee during the year ended 31 December 2024.

Director	Number of meeting requiring attendance	Number of meeting attended
Mr. Cheung Ngai Lam	1	1
Mr. Choi Hon Keung Simon	1	1
Mr. Kong Fanwei (retired on 19 April 2024)	1	1
Mr. Ma Jingchun (appointed on 19 April 2024)	N/A	N/A

Pursuant to paragraph E.1.5 of the Code, the remuneration paid to the members of senior management by bands for the year ended 31 December 2024 is set out in Note 14 to the consolidated financial statements.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the year ended 31 December 2024.

### FRAMEWORK FOR DISCLOSURE OF INSIDE INFORMATION

The Company has in place a policy on handling and dissemination of inside information, namely the Policy on Disclosure of Inside Information which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to determine the price of the listed securities of the Company with the latest available information. This policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules.

### EXTERNAL AUDITOR

ZHONGHUI ANDA CPA Limited has been appointed as the external auditor of the Company since 9 April 2020. ZHONGHUI ANDA CPA Limited will retire and offer themselves for re-appointment at the forthcoming AGM.





# Corporate Governance Report

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for overseeing the preparation of the financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flow during the Reporting Period. A statement from the auditor about its reporting responsibilities on the financial statements is set out on pages 111 to 114 of this annual report. In preparing the financial statements for the year ended 31 December 2024, the directors of the Company have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

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

The basis on which the Company generates or preserves value over the long term and the strategy for delivering its objectives is explained in the "Management Discussion and Analysis" set out on pages 8 to 26 of this annual report.

## AUDITOR'S REMUNERATION

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

Type of services	Amount (RMB'000)
Audit services	2,034
Non-audit services (Review of financial reports)	547
Total	2,581



# Corporate Governance Report

## INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Group's assets and Shareholders' interests and reviewing the effectiveness of the Company's internal control and risk management systems on an annual basis so as to ensure that internal control and risk management systems in place are adequate. Such 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 Company also has an internal audit function which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, and reports their findings to the Audit Committee and the Board on, at least, an annual basis. The Company implements and strictly enforces procedures on inside information according to the relevant procedures stated under the Policy on Disclosure of Inside Information.

The Group's internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority. The day-to-day departmental operations are entrusted to individual department which is accountable for its own conduct and performance and is required to operate its own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the management and the Board informed of material developments of the department's business and implementation of the policies and strategies set by the Board on a regular basis so as to identify, evaluate and manage significant risks in a timely manner.

During the year ended 31 December 2024, the Board has reviewed the effectiveness of the internal control and risk management systems of the Group to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards and code provision D.2.1 of the Code. The review covered all material controls, including financial, operational and compliance controls and risk management functions. In particular, the Board considered the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate. The review was conducted through discussions with the management of the Company, its external and internal auditors and the assessment performed by the Audit Committee. The Board believes that the existing risk management and internal control systems are adequate and effective, in particular, for financial reporting and Listing Rules compliance as well as for resolving internal control defects (if any).



# Corporate Governance Report

## SHAREHOLDERS

The Company is incorporated in the Cayman Islands. Pursuant to the articles of association of the Company, general meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company, on a one vote per share basis in the share capital of the Company, and the foregoing members shall be able to add resolutions to the meeting agenda. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

To safeguard shareholder interests and rights, separate resolutions are and will be proposed at general meetings on each substantial issue, including the election of individual directors. The procedures for shareholder to propose a person for election as director is available on the Company's website ([www.boyaa.com.hk](http://www.boyaa.com.hk)). Shareholders may lodge written proposal to the Company at 19/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong, provided that the minimum length of the period, during which such written notice is given, shall be at least seven days and that the lodgement of such notice shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

Enquiries about the Company may be put to the Board by contacting the Company or directly by raising the questions at an annual general meeting or extraordinary general meeting. The contact details of the Company are set out in the Company's website ([www.boyaa.com.hk](http://www.boyaa.com.hk)). Shareholders can also direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, whose address is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.



# Corporate Governance Report

## CONSTITUTIONAL DOCUMENTS

There has been no change in the constitutional documents of the Company for the year ended 31 December 2024.

The second amended and restated memorandum and articles of association of the Company are available on the websites of the Company and the Stock Exchange.

## SHAREHOLDERS' COMMUNICATION POLICY

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The Company has adopted a shareholders' communication policy and provides all Shareholders with equal access to such information, in order to keep Shareholders informed of its performance, operations and significant business developments.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The general meetings of the Company provide a platform for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of each of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees, are available to answer Shareholders' questions at general meeting. The external auditor of the Company is also invited to attend the annual general meetings of the Company to answer questions about the conduct of audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company maintains a website (<https://www.boyaa.com.hk>), where information and updates on the Company's financial information, corporate governance practices, biographical information of the Board and other information are available for public access. The contact details of the Company are set out in the Company's website, in order to enable the Shareholders to make any query that they may have with respect to the Company.

During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of Shareholders' communication policy, and concluded that the policy is effective and well-implemented for its provision of different channels for Shareholders to communicate their views on matters affecting the Company.

The Board shall continue to review the implementation and effectiveness of the Shareholders' communication policy on an annual basis and amend its terms as and when necessary.



# Environmental, Social and Governance Report

## INTRODUCTION

### *Purpose of the Report*

The Company is fully aware that the Company's performance, corporate growth and the commitment to social sustainable development are complementary and inseparable with each other. While striving to achieve the best returns for the Shareholders, we also focus on rewarding the staff, to achieve the development of employees as well as the Company. The Company focuses on integrating its developments into society and contributing to the community, aiming at achieving harmonious development of both enterprise and society. The Board is responsible for maintaining appropriate and effective risk management and internal control systems of the Group to ensure compliance with the applicable rules and regulations.

### *Basis of Report Preparation*

The 2024 Environmental, Social and Governance Report (the “**ESG Report**”) is prepared in compliance with the mandatory disclosure requirements of the Environmental, Social and Governance (“**ESG**”) Reporting Code set out in Appendix C2 to the Listing Rules and the “comply or explain” provisions, aiming to disclose our responsibility for sustainable development in 2024 to investors and other stakeholders. The Report should be read in conjunction with the “Corporate Governance Report” for a more comprehensive understanding of the Company's environmental, social and governance performance.

The ESG Report was prepared in adherence to the four reporting principles of materiality, quantitative, balance and consistency, the application of reporting principles is presented below:

**Materiality:** The Report focuses on issues that are identified relevant and significantly important to the Company during the Reporting Period. The Company conducted materiality review during the Reporting Period to establish the structure of our ESG Report and material issues identified were validated by the Board.

**Quantitative:** Information in the Report is presented quantitatively whenever feasible. The Report presents comparable and measurable performance data by disclosing past and present data during the Reporting Period, which lays a solid foundation for the Company to set environmental and social targets in the future. Meanwhile, quantitative information shall help the Company to better evaluate and validate the effectiveness of relevant ESG policies and management systems.

**Balance:** The Report discloses the Company's progress and challenges in environmental, social and governance management in order to fully demonstrate our environmental, social and governance performance.

**Consistency:** Unless otherwise stated, the methodologies used in the Report for data calculation are consistent with previous years to ensure meaningful comparability.

### *Reporting Scope*

The ESG Report encompasses operations of the Company's Shenzhen office, Thailand office and Hong Kong office, covering ESG performance in the Reporting Period, unless stated otherwise. The Report has yet to collect and disclose the relevant data of all regional offices. Relevant information on other regional branches has not yet been collected and therefore is not disclosed in the ESG Report. Unless otherwise stated, the Report covers the period from 1 January 2024 to 31 December 2024.

### *Approval and Confirmation*

The Board is fully responsible for overseeing the Company's management and implementation of ESG related policies, and is also responsible for ensuring the reliability, truthfulness, and completeness of our non-financial disclosures. This Report was reviewed and approved by the Board on 5 March 2025.



# Environmental, Social and Governance Report

## **ESG Governance**

The Company has established a governance structure to strengthen the related work regarding the environmental, social and governance. The Board takes the overall responsibility for the Company's environmental, social and governance strategies and reporting, and is responsible for the related work of the overall supervision and management in environmental, social and governance, including formulating relevant policies and strategies. In order to fully implement the concept of sustainable development and effectively resolve environmental, social and governance issues, the Company has also established an environmental, social and governance working group to assist the Board in supervising and promoting the implementation of environmental, social and governance strategies and reviewing the progress made against ESG-related goals we consider as related to our businesses according to the materiality assessment. Each functional department of the Company is responsible for taking specific measures which are formulated on various environmental, social and governance issues.

## **Stakeholder Engagement**

As part of our business strategies, the Company communicates with its stakeholders in an open, honest and proactive way. Our major stakeholder groups include shareholders and investors, clients, suppliers and employees.

To improve transparency, we take measures to promote investor relations and communication. In addition, in order to further promote effective communication with investors, we arrange annual general meetings and offer other communication channels to provide opportunities for the shareholders to maintain communication with the Board, thereby allowing shareholders to clarify and deepen their understanding of the Company's performance and allowing the Company to communicate with shareholders and answer performance-related questions.

## **Materiality Assessment**

Through conducting an internal materiality assessment, the Company has identified ESG issues which are sufficiently important to investors and other stakeholders by reviewing our business. In consideration of the "relevance" and "importance" of various ESG factors to our business, we have been able to prioritize the following aspects as the material focus of this report:

Aspects	Material ESG Issues
<b>A. Environmental Aspect</b>	
A2. Use of Resources	<ul style="list-style-type: none"><li>• Energy consumption</li><li>• Energy efficiency</li><li>• Water consumption</li><li>• Efficient use of raw materials</li><li>• Use of packaging materials</li></ul>



# Environmental, Social and Governance Report

Aspects	Material ESG Issues
<b>B. Social Aspect</b>	
B1. Employment	<ul style="list-style-type: none"><li>• Employee welfare</li><li>• Inclusion and equal opportunities</li><li>• Talent attraction and retention</li></ul>
B2. Health and Safety	<ul style="list-style-type: none"><li>• Occupational health and safety</li></ul>
B3. Development and Training	<ul style="list-style-type: none"><li>• Development and training</li></ul>
B4. Labour Standards	<ul style="list-style-type: none"><li>• Prevention of child and forced labour</li></ul>
B5. Supply Chain Management	<ul style="list-style-type: none"><li>• Supply chain management</li></ul>
B6. Product Responsibility	<ul style="list-style-type: none"><li>• Project quality control</li><li>• Protection of intellectual property rights</li><li>• Protection of customer privacy</li></ul>
B7. Anti-corruption	<ul style="list-style-type: none"><li>• Corporate governance</li><li>• Anti-corruption</li></ul>
B8. Community Investment	<ul style="list-style-type: none"><li>• Social responsibilities</li></ul>





# Environmental, Social and Governance Report

## ENVIRONMENT

We have implemented scientific energy saving and emission reduction measures, which directly contribute to socioeconomic and sustainable development as well as corporate development and employee interest. The Company complied strictly with relevant environmental and emission laws and regulations, such as the Environment Protection Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, Law of the People's Republic of China on Conserving Energy and Provisions on the Administration of Urban Water Conservation, in our operation. Our main operation is office-based. Our major business operation is the development and operations of online card and board games, and we will committed to promoting and developing Web3 game related business, which does not involve significant and direct emission of air pollutants or direct greenhouse gas emissions (Scope 1). Our key pollutants are carbon dioxide and general waste, generated from electricity and water usage and etc. The generated solid waste is mainly domestic waste and other general waste. Therefore, we only report on the indirect energy use and indirect greenhouse gas emission (Scope 2) of the Company. The Company's daily operations are not expected to have a significant impact on the environment or natural resources, and the related climate change is also not expected to have a material adverse impact on the Company's operations.

We have instilled the principle of "Awareness Cultivation, Strict Management" and targeted to grow sustainably through saving on expenditure, reducing energy consumption, and preventing pollution. To strike a balance between corporate development and environmental protection, we have adopted strategies to save energy, recycle resources, preserve the environment and promote harmonious long-term human and natural development. Environmental protection and resource conservation are our main priorities in fulfilling our social responsibility. In 2024, our actual electricity consumption was 442,544 kWh (2023: 508,990 kWh) representing a year-on-year decrease of approximately 13.1%, and the intensity of actual electricity consumption in 2024 was approximately 1,993.44 kWh per employee (2023: 2,147.64 kWh per employee); total greenhouse gas emissions in 2024 were approximately 348 tons (2023: approximately 401 tons) representing a year-on-year decrease of approximately 13.2%, and the intensity of greenhouse gas emissions in 2024 were approximately 1.57 tons per employee (2023: 1.69 tons per employee); our business operation does not generate hazardous waste, and during the year, the total amount of non-hazardous general waste was approximately 1.2 tons (2023: approximately 1.2 tons) representing stable as compared to the same period in 2023, and the intensity of non-hazardous general waste generation during the year was approximately 0.0054 tons per employee (2023: 0.0051 tons per employee). In 2024, the actual water consumption was approximately 1,920 tons (2023: approximately 2,441 tons) representing a year-on-year decrease of approximately 21.3%, and the intensity of actual water consumption was approximately 8.65 tons per employee (2023: 10.30 tons per employee). The Company has not encountered any difficulties in sourcing suitable water sources, and its office has a stable water supply which meets its daily operational needs. The Company did not use any packaging material during the Reporting Period.

The Company expects to further reduce water consumption, electricity consumption, non-hazardous general waste generation and greenhouse gas emissions by taking the following measures to improve our environmental performance.



# Environmental, Social and Governance Report

## 1. Promoting and Cultivating Energy Conservation and Environmental Protection Awareness

- Promoted and lead energy conservation and environmental protection initiatives via email, radio, exhibition and tips etc.. Facilitated practical environmental protection processes in our daily routine to raise employees' environmental awareness and strengthen their consciousness regarding resource and energy saving.



## 2. Strengthening Supervision and Inspection, Eliminate Wasteful Behavior

- Set up an inspection team to strengthen and improve the environmental protection and energy saving management systems. Regular inspections are carried out as well as random checks to monitor and meet energy saving and emission reduction targets; and
- Strengthened daily inspection and maintenance of pipes and electricity equipment, including monitoring data, analysing monthly abnormal data and identifying issues requiring attention.

## 3. Implementing Energy Saving and Sustainable Measures, Increasing Energy Efficiency

The Company placed rubbish bins in its working area and sends the non-reusable wastes to municipal government for central collection and treatment; sends the reusable wastes to waste collection station for recycle use.

- Phased out obsolete facilities and equipment, promote new energy-efficient technologies, adopted a replacement program of LED energy saving lamps to reduce energy consumption;
- Improved the procurement and supply system for office supplies, using energy efficient equipment and recycling old machines;
- Implemented a paperless office automation system where emails and documents are read and shared online to reduce paper consumption;
- Encouraged employees to bring their own water bottles and provide disposable water cups for visitors instead of disposable water bottles to reduce unreasonable waste of water resources; and
- Provided employees with a shuttle bus service to alleviate commuting issues, improved the efficiency of roads and transportation, relieved the traffic jams in the city, achieved shared-economy and contributed to reducing traffic congestion and emissions.



# Environmental, Social and Governance Report

## SOCIETY

### 1. *Employment and Labor Practices*

In order to protect the legitimate rights and interests of employees, establish and maintain the Company's management mechanism, and to promote the legal and orderly development and expansion of the Company, the Company complies with and implements the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, The Implementation Regulations of the Labor Contract Law of the People's Republic of China, Shenzhen Special Economic Zone Regulations on Labor Relations Promotion, Implementation Measures of Enterprise Workers Paid Annual Leave, Regulations on Wage Payment of Employees of Shenzhen Municipality, Employment Ordinance and other relevant enterprise employment and labor laws and regulations.

During the year of 2024, the Company imposed stringent control over matters such as staff management, welfare and training. Meanwhile, it also conducted rigorous screening procedure for the purpose of retaining staff, and adjusted and improved staffing structure. As of 31 December 2024, the total number of employees of the Company was 222 (2023: 237), representing a year-on-year decrease of approximately 6.32%. The total number of new hires was 73 (2023: 40), representing a year-on-year increase of approximately 82.5%. The total number of resigned employees was 126 (2023: 136), representing a year-on-year decrease of approximately 7.35%. In 2024, the staff turnover rate was approximately 20.18% (2023: 21.46%) and the rejection rate was approximately 38.53% (2023: 36.91%).

We are an equal opportunity employer. We pursue employment policies that embrace diversities and do not discriminate against employees on grounds of gender, disability, pregnancy, family status, race, colour, religion, age, sexual orientation, nationality, trade union membership or other factors.

The Company complies with the rules in relation to working and resting hours according to the Labor Law of the People's Republic of China and Employment Ordinance and so on. As an online card and board game service provider, we provide excellent service to our clients throughout the year. Our staff at customer services department work at non-regular working hours and on public holidays to get ready for unexpected incidents at any time. We provided them with overtime payment and additional allowance.

Based on employees' daily work performance and performance appraisal results, the Company will implement an irregular rank promotion system to motivate excellent employees.

The Company has formulated "Boyaa Interactive Employee Code of Conduct" and "Employee performance management system" and other regulations. For situations in which an employee has violated the Group's regulations, or whose performance is consistently below an acceptable level, a range of procedures to the corresponding job transfer policy terminate their employment/labor contract have been also established. In all cases, managers will consult the human resources department and the legal department to ensure that applicable laws and regulations are complied with.

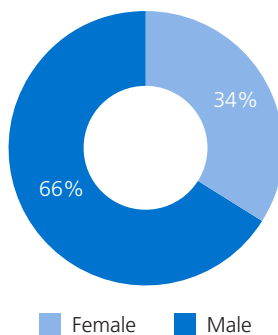


# Environmental, Social and Governance Report

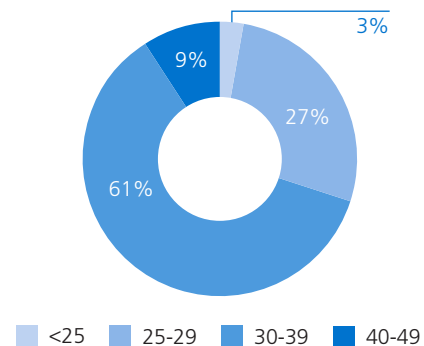
## Total number and classification of employees

As at 31 December 2024, the total number of employees of the Group was 222 (including 220 full-time employees and 2 part-time employees), and the details of employees are as follows:

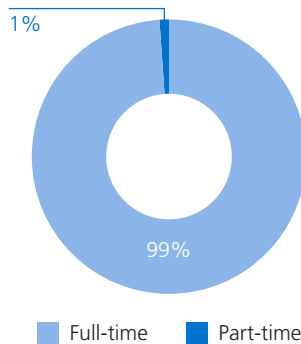
Employees by Gender



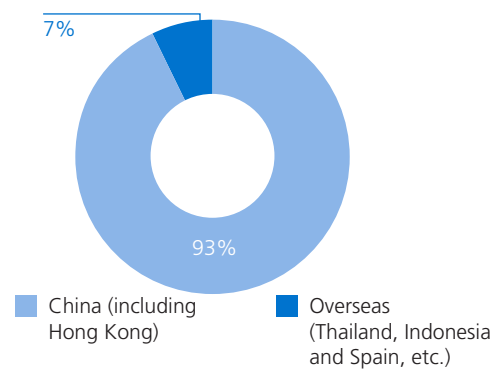
Employees by Age



Number of Employees by Employment Type

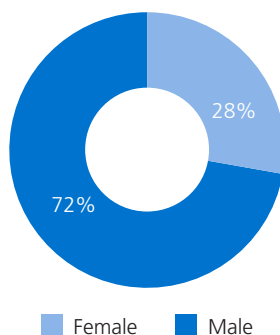


Number of Employees by Geographical Areas

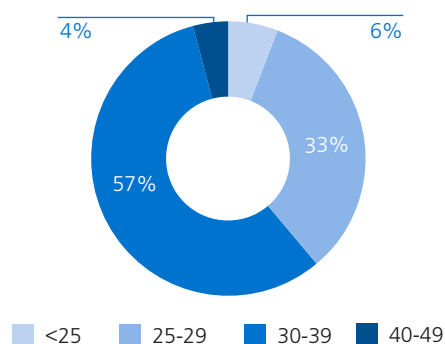


As at 31 December 2024, the details of the staff turnover rate of the Group are as follows:

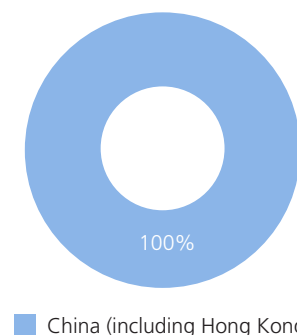
Employees by Gender



Employees by Age



Number of Employees by Geographical Areas

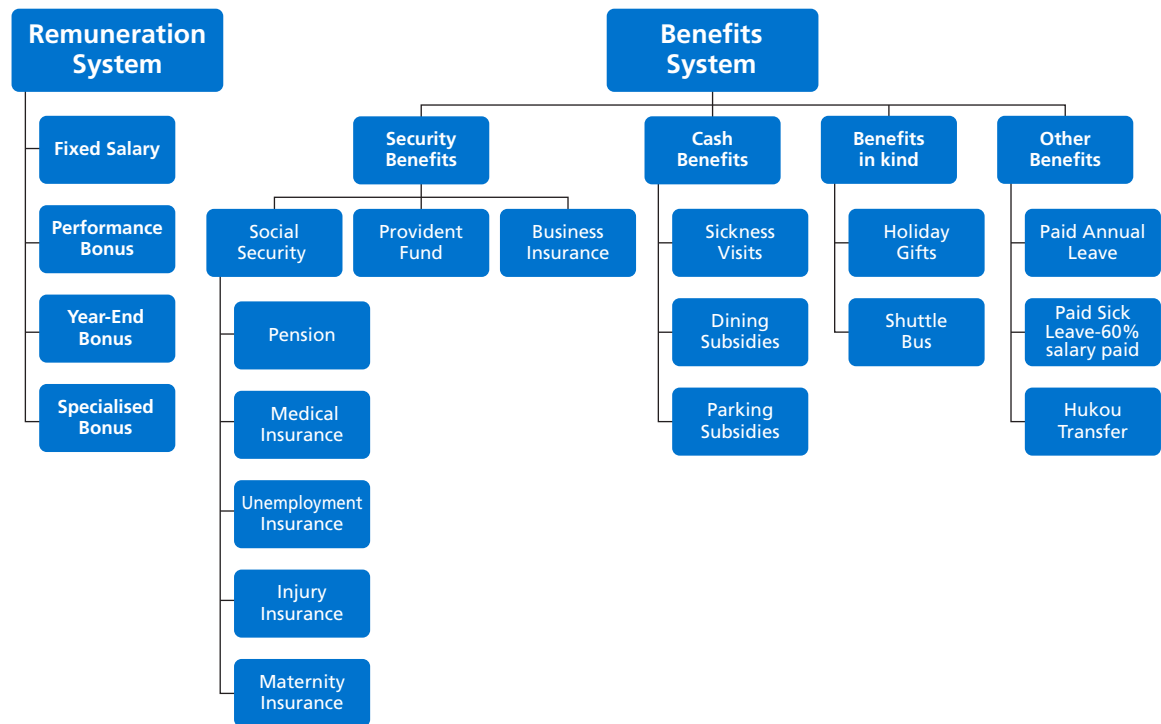




# Environmental, Social and Governance Report

## 2. Remuneration and Benefits

The Company has implemented a comprehensive “people-oriented” payment and welfare benefits system for employees.





# Environmental, Social and Governance Report

## ***Residence Schemes***

To help our employees to meet their housing needs and relieve their personal burdens, including transportation costs, the Company has put in place a regulation which initiates an unsecured, low interest loan scheme available to our employees for purchasing their houses and cars. We also provide a free shuttle bus service for all employees to commute from home to the workplace.

## ***Bo Le Award***

To meet the Company's development goals and staffing requirements, we have set up a talent referral scheme to increase the motivation and enthusiasm of our employees for recommending talented individuals to join the Company. Various "Bo Le" awards are granted to staff members in the form of cash or physical prizes when a referral is successfully recruited, including the "Talent Hunt Award" ("慧眼識珠獎"), "Talent Referral Award" ("推薦達人獎"), "Golden Bole Award" ("金冠伯樂獎") and "Bo Le Hero Award" ("伯樂英雄獎"), among others.

## ***Warm Holiday Care***

The Company elaborately prepares festival gifts for its employees on traditional festivals, such as Spring Festival, Dragon Boat Festival and Mid-Autumn Festival. At the same time, various colorful festival activities are carried out simultaneously, such as the team building activities, which are greatly popular among and embraced by staff and enhances their sense of belonging, zeal for work and team cohesiveness.

## ***Meal allowance***

The Company selects qualified suppliers, provides employees with a variety of brunch supplies and provides certain subsidies, which makes it convenient for employees to eat and enhances their sense of belonging.



# Environmental, Social and Governance Report

## 3. *Health and Safety*

The Company has signed labor contracts with employees. In strict accordance with the Social Insurance Law of the People's Republic of China and Regulations on Management of Housing Provident Fund, the Company has participated in various employee social security plans in Mainland, including housing fund, pension, medical, work-related injury, maternity and unemployment benefit plans, and it has also contributed housing provident fund for its staff; the Company has procured employees' compensation insurance and made Mandatory Provident Fund contributions for Hong Kong staff, providing practical protection for the staff. The Company also strictly complies with the Law of the People's Republic of China on the Protection of Women's Rights and Benefits, Special Rules on the Labour Protection of Female Employees, Work-related Injury Insurance Regulations and all other relevant laws and regulations. The Company cares about employees' health, property safety and personal privacy, and continuing to optimise the working environment and labor management system.

The Company has implemented a green office environment policy to create a healthy and clean office environment. The office area is covered with plants to reduce the radiation hazards of electronic equipment. Professional institutions specialising in disinfection and sterilisation are employed on a monthly basis to perform thorough disinfection and sterilisation of the office so as to improve the quality of the office environment. Regarding water quality control, the activated carbon water filter is replaced every six months, and regular sampling of the water source is conducted to ensure quality. In catering services, the Company selects qualified suppliers who have appropriate licenses, fresh ingredients and operating environments in compliance with applicable regulations. The process is monitored in real-time to ensure food safety and employees' health. As a game developer and operator, the Company does not expose its employees to major health and safety risks in its daily operations. During the years 2021 to 2024 and the Reporting Period, the Company was not aware of any work-related fatalities or lost days due to injury.

The Company has strictly prevented, controlled, and managed potential security risks and safety concerns based on the principle of "Prevention-oriented, Elimination of Hidden Dangers", so as to continuously strengthen the Company's security management in office areas and strictly enhance the safety awareness of employees, and smoothly implement the effective security measures.

- To regularly send out safety information to all employees through emails, radio, displays and tips to enhance security awareness;
- To set up a safety management committee to organise regular checks or spot checks, including daily inspections, targeted inspections or sample checks, troubleshooting and hazard investigations;
- To train members of safety management committee about fire control and daily first-aid knowledge, internally launch fire control publicity and education program and daily first-aid training, perform regular checks on the Company's fire control facilities, and ensure that all fire control and safety systems are in compliance with the fire control regulations and requirements of the fire control department;
- To strengthen the Company's electricity safety management, strictly prohibit private cables and the use of high-power electrical equipment and implement thorough investigations of electrical usage beyond working hours; and
- To ensure that the Company office area is in full coverage of monitoring equipment, focusing on the layout of fire passages and main entrance hall, while installing an access control system, where visitors need to be verified for their identity before accessing the office area.





# Environmental, Social and Governance Report

## 4. *Development and Training*

To set up a corporate learning and development organisation, to support the implementation of the Company's strategies and business plan, and to efficiently develop outstanding management personnel and professionals for the Company, the Company has established a multi-dimensional training system, i.e. the Boyaa College Curriculum System. Training programs are designed to convey corporate culture and values, to convey management ideas and skills and to deliver professional knowledge and skills.

### ***Boyaa College Curriculum System***

The Boyaa College Curriculum System includes training programs designed for social-recruited trainees, school-recruited trainees and management members; guiding employees in understanding and recognising the corporate culture and values, helping understand the Company's businesses and their roles, helping new joiners quickly adapt to their duties in the work, improving the overall quality and management ability of managers, and enhancing staff's sense of responsibility, work efficiency and operational capacity.

- New generation training – Orientation training specifically for social-recruited trainees which helps them quickly assimilate into the Boyaa culture through a series of courses and occasional interactive sessions.
- Nestling training camp – Orientation training specifically for school-recruited trainees which includes the introduction to business systems, professional ethics, industrial game design challenges, experiences in corporate culture, and other projects which promote the rapid development of new trainees.
- Eagle training camp – To systematically enhance the Company's overall quality of thought and management capacity, in 2016, the camp was set up to include management case studies, experiential training, management proposal scenarios, and management salons, and was developed by senior management to engage grassroots cadres and potential future managers of the Company.

At the same time, the Company has set up a corresponding professional channel for each position, for which the corresponding professional knowledge and skills courses are designed to cultivate outstanding expert talents. The Company has developed professional knowledge and skills courses for various rank levels to satisfy the learning and growth needs of each professional channel, which ultimately grow in line with business development with regular courses available. The Company also has a guiding curriculum for special groups which are designed as a fast-track to the acquisition of relevant skills, to develop and improve communication skills, respond to the needs of the job, and achieve their personal development. It mainly includes mentor training, interviewer training and occasional internal as well as external special training.

In addition, the Company also has various group training programs in different forms and with varying content to meet the need for professionalism, knowledge and skills training, such as book reading group, topics salons, experiential training, Boyaa lectures, external training and others.



## Environmental, Social and Governance Report

The table below sets out the details of employee training during the year ended 31 December 2024.

<b>Employee Training</b>	<b>Number of employees</b>	<b>Percentage of total number of employees</b>
Number of employees trained	120	54.05%
<b>By Gender</b>	<b>Number of employees</b>	<b>Percentage of total number of employees trained</b>
Female	30	25.00%
Male	90	75.00%
<b>By employment type</b>	<b>Number of employees</b>	<b>Percentage of total number of employees trained</b>
Junior staff	70	58.33%
Middle and senior management	50	41.67%
		<b>Training Hours</b>
Total hours (hours)		300
		<b>Average number of training hours completed (by gender)</b>
Female (hours)		2.3
Male (hours)		3.1
		<b>Average number of training hours completed (by employment type)</b>
Junior staff (hours)		2.8
Middle and senior management (hours)		2.6



# Environmental, Social and Governance Report

## 5. *Labor Standards*

The Company complies with the Regulation on Forbidding Employment of Child Labor issued by the State Council and all other relevant laws and regulations. The human resources department of the Company performs strict identity verification of recruitment candidates. The Company is committed to implementing the relevant provisions to prohibit the employment of child and forced labor, and for the year ended 31 December 2024, the Company did not have any incidents of child or forced labor.

## 6. *Supply chain management*

To regulate the Company's administrative procurement protocols, strengthen the management and supervision of the procurement management process, timely identify environmental, and social risks along the supply chain, promote the use of environmentally preferable products and services and with the principle of "Assure Quality, Save Costs, Block Loopholes, Avoid Losses, Improve Efficiency", the Company has developed the "Administrative Procurement Management System" as well as modified the "Procurement Management Measures", and strictly enforced these policies. The Company has adopted a centralised purchasing structure, and the administrative procurement department is responsible for the daily procurement needs of all departments in the Company. The procurement process includes strict price inquiry and tender management system. The administrative procurement department has selected and assessed supplier suitability based on various indicators, such as the supplier's qualifications or licenses, quality of goods, environmental friendliness, delivery competence, price level, technical ability, after-sales service, human resources, existing relationship, and so on. Before a purchase can be completed, approval must be obtained from the directors of relevant departments, i.e. the legal department and the department of finance. Relevant practices as aforesaid have been implemented when engaging all our current suppliers.

As an online card and board game service provider, we mainly purchase office supplies and souvenirs on a small scale. For the year ended 31 December 2024, the Company has 201 suppliers, in which 130 are Chinese suppliers and 71 are overseas suppliers outside of China. During the Reporting Period, we were not aware of (i) any material breach of the relevant environmental laws and regulations by any of the suppliers we engaged, nor (ii) any significant environmental and social risks in the provision of their services under the respective procurement contracts. Our purchase agreement also requires our suppliers to provide their qualification information.



# Environmental, Social and Governance Report

## 7. *Product Liability*

The Company complies with all relevant laws and regulations relating to health and safety standards, advertising and labeling. The Company respects and protects intellectual property rights, and always complies with intellectual property regulations with an open and positive attitude. Regarding infringement, the Company also safeguards its legitimate rights and interests by adopting lawful measures. In 2024, the Company registered a total of 38 software, and 10 copyrights of art works.

As an excellent domestic game company, the Company treats users' data and information with strict confidentiality and complies with the requirements of National Press and Publication Administration, Ministry of Culture and relevant competent authorities. We have strictly implemented the relevant provisions of the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China and Juvenile Protection Law of the People's Republic of China, and other laws and regulations and established a series of policies to protect users privacy and personal information which were promoted and implemented within the games of the Company.

Customer's consent must be obtained before we can collect their personal data and deliver subscriber-related information for customers, and customers can change their subscription and delete their personal data preferences at any time by sending a request to our staff, including but not limited to customer service staff and privacy compliance officer. The Group has no concluded cases of non-compliance issues according with the laws and regulations on protection of personal information.

During the Reporting Period, there were no games subject to recall by the Company due to health and safety issues. The Company will pay attention to the updates and changes of laws and regulations in the PRC at all times and strictly compliance with the policies and regulations on the collection, use, processing, sharing, disclosure authorization and other aspects of the data and information of user, so as to ensure the legal and compliance operation of the Company's game products.

### ***Awards and Qualifications***

#### **Award of "Nanshan "Green Channel" Enterprise Certificate 2024"**

Upon strict verification by the People's Government of Nanshan District of Shenzhen, Shenzhen Dong Fang Bo Ya Technology Co., Limited was formally awarded as a "Green Channel" Enterprise in Nanshan District for 2024 in December 2024.

As the innovation hub of Shenzhen, Nanshan District has been committed to nurturing and supporting high-tech enterprises. The "Green Channel" Enterprise selection is an important initiative implemented by the Nanshan District Government to promote the development of enterprises in the region. The selection covers 16 categories of high-standard criteria, including leading private enterprises in Nanshan, top 100 taxpayers, top 100 sales enterprises, enterprises enjoying the fast services, listed enterprises, and unicorn enterprises, etc., with the aim of selecting and supporting high-quality enterprises in the region. With its profound accumulation of experience and innovative practices in the digital game industry, Boyaa has successfully fulfilled the assessment criteria and become one of the awarded enterprises.



## Environmental, Social and Governance Report

This achievement is not only due to Boyaa's continuous investment in technological R&D and innovation, but also due to the strong support and assistance from the Nanshan District Government.

Public information shows that "Green Channel" enterprises will enjoy a series of preferential policies and convenient services provided by the Nanshan District Committee and District Government. These include, but are not limited to, preferential policies in the areas of talent support, tax payment services, social security registration and payment, as well as special services for special matters and urgent matters. These policies and services will provide strong support and protection for Boyaa's future development.

This is the second time that Boyaa has been recognised as a "Green Channel" Enterprise in Nanshan District, having been recognised three years ago, and it is an important milestone in Boyaa's development history.





# Environmental, Social and Governance Report

## ***Create a leading mobile internet customer service platform***

“Serve with a smile, serve at heart” is our service tenet. We provide users entertainment and at the same time, offering high service quality as well. This is not only the primary service philosophy Boyaa has put in place in the field of customers protection, but also the most important step in Boyaa’s customer protection.

In 2024, based on the original service model, Boyaa continued to optimise its service system and procedures, in a bid to establish a customer service system dedicated to the actual needs of its customers and provide them with new services in line with changing circumstances.

### **(1) Continued to provide service by means of various channels**

In 2024, Boyaa’s customer service team continued to provide including 400 telephone, online customer service, WeChat and self-service support. We also have a clear flowchart procedure for handling user complaints to enhance users’ experience.

### **(2) Constantly enhance customer’s satisfaction and set up multi-language service systems to cater for market demands**

In 2024, in order to satisfy market demands, Boyaa constantly improve its product experience, service procedures and strengthen professional skills of customer service personnel on a regular basis. We provide customer services to users from 17 countries in 16 languages with our quality service and powerful service system.

### **(3) New Customers Service At Heart – advanced IT technology builds core productivity**

The whole basis of our customer service relies on our advanced customer service system, which improves our operation efficiency. To create a service system satisfying the demands of the mobile internet, in 2022, our customer service technology team conducted an all-round upgrade and organised a specialised development team to provide strong technical support for the new system development. Our new system contains four modules, achieving comprehensive and optimised experiences from service, monitor to management, which creates a concrete foundation for further improvements of customer service quality and efficiency.

For the year ended 31 December 2024, the Company has not received any material complaints.



# Environmental, Social and Governance Report

## ***User information security management***

The Company's business development is built upon our users, who play our games and use our services. The Company has implemented the tenet of "Share the Happiness Anywhere Anytime". Adhering to the principle of a happy and relaxing game experience, we are committed to offer safe, convenient and professional game services to users. The Company complies with all relevant laws and regulations and has implemented a comprehensive range of information-privacy and data-security procedures to protect individual privacy. Since we formulated the "Confidential Management System Regulation" to protect user information in 2012, we also set up "Boyaa High-voltage Line Management Regulation" to incorporate the leakage of confidential and sensitive information as our high voltage lines. In 2013, we established an information security management department and launched the "Information Security Code", which systematically manages different information security issues including user information, in order to optimise the management system.

In 2024, we hosted 3 training sessions regarding information security awareness, which effectively enhanced our staff awareness and raised players' loyalty to Boyaa games. From 2015 to 2024 for ten consecutive years, we organised various online and offline game competitions, in which no complaint related to damage or loss of personal information was received.

## **8. Anti-corruption**

The Company complies with all laws and requirements regarding anti-corruption and is committed to business ethics. We support lawful business operation and fair competition. We respect and protect intellectual property rights while standing against any form of corruption, bribery, money laundering, extortion and fraud. Also, we have set up a series of systems including the "Boyaa Interactive High-voltage Line Management Regulation", the "Measures for the Administration of the Internal Audit", the "Anti-fraud Management Measures", the "Virtual Asset Management Measures", the "Whistleblowing Policy", and the "Employee Complaint Suggestion Mailbox Implementation Management Regulations" which include anticorruption policies and are monitored and managed by external and internal auditing teams. During the Reporting Period, the Company was not aware of any illegal operations involving corruption, bribery, extortion, fraud or money laundering by the Company.

- The Audit Committee under the Board, as the supervisory body of the anti-fraud work, is responsible for the supervision and inspection of the anti-fraud conducts within the Company. Besides, an independent internal audit department has been set up under the Audit Committee, and is responsible for investigating and executing the anti-fraud work. The auditors of the internal audit department possess professional auditing skills and experiences, including auditing skills in information technology and security, as well as accounting data.
- The internal audit department of the Company set up a specific hotline, postbox and mailbox for its staff to complain upon discovering corruption and malpractices. The internal audit department is responsible for conducting investigations and reporting on the relevant whistleblowing incidents.
- The internal audit department of the Company conducts training activities from time to time, and conducts anti-corruption and anti-fraud training activities from time to time in accordance with the Company's actual management needs every year, and organizes employees to declare conflicts of interest every year, so as to restrain employees from using power for personal gain.





## Environmental, Social and Governance Report

- Developed a standardised “Measures for the administration of the internal audit” to define boundaries of the internal audit department’s duties, authority and professional ethics of the audit department, ensuring that it runs objectively and independently.
- Developed the “Anti-fraud Management Measures”, the “Regulation on the Implementation and Management of the Employee Complaint and Suggestion Mailbox”, and the “Whistleblowing Policy”, which discloses detailed descriptions of the relevant policies on anti-corruption and anti-bribery, and meanwhile clarifies the commitments to whistleblowers and the system to protect whistleblowers, ensuring whistleblowers will not suffer unfair disciplinary sanctions due to any genuine reports.
- Formulated the “Virtual Asset Management Measures” to set out regulations on the transaction procedures of virtual assets, the responsibilities of employees involved in the management of relevant virtual assets, the storage and management of virtual assets held, etc., to ensure the company’s compliance with virtual asset investments and improve the long-term mechanism for combating money laundering, corruption and fraud.
- Disclosed the content of anti-fraud management and integrity cooperation on the Company’s official website, publicized the Company’s anti-corruption and anti-bribery policies to third parties (suppliers, customers) which have business relationships with the Company, and provided reporting mailbox and mailing address for third parties (suppliers, customers) who have business relationships with the Company to report relevant incidents when they found corruption, fraud and other behaviors.
- The internal audit department regularly communicated with and reported to the Audit Committee to comply with its auditing requirements; optimised the auditing mechanism through regular testing and auditing on the Company’s finances, procurement, fees, IT and security, and immediately reported issues when identified to the relevant department for timely rectification.
- Hired an external independent audit team from time to time to review the Company’s internal control system and issue reports and suggestions for improvement.

We require our Directors, senior management and employees to perform their duties with high ethical standards. We set up numerous complaint channels according to relevant guidelines, and carry out regular promotion and training on integrity education in order to build an honest and corruption-free environment in the Company, and establish a long-lasting anti-money laundering, anti-bribery, anti-extortion and anti-fraud system. During the Reporting Period, the Directors, senior management and related employees received anti-corruption training.

### **9. Community Investment and Volunteer Activities**

#### ***Environmental Activities***

We always encourage our employees to take environmental protection seriously. Not only do we promote environmental protection throughout the management work but also encourage our staff to save energy and engage in environmental activities as part of their daily routines.



# Environmental, Social and Governance Report

## ***Internal Environmental Protection and Energy Saving Promotion***

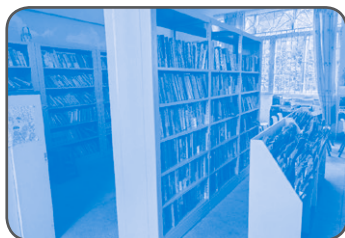
The Company has emphasised in-house promotion regarding environmental awareness and energy saving. Under this philosophy, we encourage every staff member to contribute to environmental protection. We have placed a friendly tip reminding staff to “Make good use of each piece of paper” on each printer; we have also placed several tips with different slogans such as save paper, save energy, green outing, sustainable dining and others in many public areas in the Company, cultivating environmental awareness of our staff and encouraging them to put these slogans into practice.

## ***Social Responsibilities***

As a listed company in Hong Kong, the Company continuously strives to give back to society and is committed to corporate social responsibility while achieving our corporate goals

### ***1. “Guangdong Poverty Alleviation Day” in 2024 – “Love for the Mountainous Areas, Donate Books and Sponsor Students” activity***

“Knowledge changes destiny, reading makes the future, and education is the key to poverty alleviation”, Boyaa Interactive further learned through the Guangdong Provincial Education Foundation that rural schools in mountainous areas in the West of Guangdong Province were facing difficulties due to a lack of books. In order to continuously support the building of campus with strong reading atmosphere and to improve teaching quality, in May 2024, the Company donated RMB35,000 to the Guangdong Education Foundation to fund the construction of a “love library” for Songgui Town Centre Primary School in Yunan County Yunfu City, and the purchase of 3,500 books and 3 sets of book shelves. The “Boyaa Interactive Love Library” was officially put into use in mid-September 2024.





# Environmental, Social and Governance Report

**2. Boyaa Interactive promoted public welfare in Xinjiang, contributing to rural revitalization with love! - “Promoting Public Welfare in Game” activity**

On 12 June 2024, with the guidance of the China Audio-video and Digital Publishing Association and the support of the Publicity Department of the Xinjiang Uygur Autonomous Regional Committee of the Communist Party, the Publishing Integration Working Committee, the Game Publishing Working Committee, the Audiobooks Professional Committee and Beijing Yuze Public Welfare Foundation have successfully organised the “Forever-bond Program of China Digital Publishing” held in Kashgar, Xinjiang, a donation activity for public benefit for promoting common language of China, with a total of 49 digital publishing enterprises taking part in the activity.

There were three schools to choose from for the donation. Boyaa Interactive has donated a batch of teaching materials and community supplies to the No.1 Middle School in Yopurga County, Kashgar Prefecture. The organizer and all participating digital publishing enterprises jointly appealed to the society and other enterprises to pay more attention to education in Xinjiang and contribute more to the future development of Xinjiang.





## Independent Auditor's Report



### TO THE SHAREHOLDERS OF BOYAA INTERACTIVE INTERNATIONAL LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

#### OPINION

We have audited the consolidated financial statements of Boyaa Interactive International Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 115 to 190, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirement of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**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**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# Independent Auditor's Report

## 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.

### ***Revenue and cost of revenue***

Refer to Note 8 to the consolidated financial statements.

The Group has been engaged in development and operation of online card and board games. Revenue of the Group for the year ended 31 December 2024 of RMB405,648,000 was attributable to the online game business. The Group recognised revenue when consumable virtual items represent items that are extinguished after consumption in the form of fixed charges levied on each round of games played. The paying players will not continue to benefit from the virtual items thereafter. Revenue is recognised (as a release from contract liabilities) when the items are consumed and the related services are rendered. The Group pays commissions to third party game distribution platforms and payment vendors. The commissions are also recognised in cost of revenue when the related services are rendered to the Group. Determining when revenue and cost of revenue arising from such online game business is complex and requires significant judgement involved.

Our audit procedures included, among others:

- Discussing with the management of the Group as well as both the Group's in-house and external information technology experts to understand the revenue recognition cycle;
- Testing controls over the Group's information technology revenue and cost of revenue systems on selected games;
- Scrutinising monthly statements issued by providers of platforms and online record of providers of platforms and payment vendors regarding receipt from paying players on a sample basis; and
- Reconciling to the Group's records and conducting substantive analytical procedures on revenue and cost of revenue.

We consider that the Group's estimates of the revenue and cost of revenue recognised are supported by the available evidence.

### ***Investments at fair value through profit or loss***

Refer to Note 24 to the consolidated financial statements.

The Group measured its investments at fair value through profit or loss with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balance of investments at fair value through profit or loss of RMB89,311,000 as at 31 December 2024 are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.



# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

### *Investments at fair value through profit or loss (Continued)*

Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuers engaged by the Group;
- Obtaining the external valuation reports and meeting with the external valuers to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of the investments at fair value through profit or loss is supported by the available evidence.

## OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

## RESPONSIBILITIES OF DIRECTORS 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 requirement 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.



## Independent Auditor's Report

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

#### **ZHONGHUI ANDA CPA Limited**

Certified Public Accountants

#### **Yeung Hong Chun**

Audit Engagement Director

Practising Certificate Number P07374

Hong Kong, 5 March 2025





## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>Revenue</b>	8	<b>456,885</b>	394,582
Cost of revenue		(124,748)	(123,303)
<b>Gross profit</b>		<b>332,137</b>	271,279
Other gains/(losses), net	9	841,093	(51,198)
Selling and marketing expenses		(40,579)	(48,274)
Administrative expenses		(104,552)	(98,859)
<b>Operating profit</b>		<b>1,028,099</b>	72,948
Finance income	10	16,176	56,290
Finance costs	11	(1,078)	(687)
Share of gains/(losses) of associates	22	324	(1,601)
<b>Profit before income tax</b>		<b>1,043,521</b>	126,950
Income tax expense	12	(159,742)	(9,771)
<b>Profit for the year attributable to owners of the Company</b>	13	<b>883,779</b>	117,179
<b>Other comprehensive (expenses)/income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in fair value of equity investments at fair value through other comprehensive income		948	8,783
Exchange differences on translation		7,594	2,327
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(13,489)	11,455
<b>Other comprehensive (expenses)/income for the year, net of tax</b>		<b>(4,947)</b>	22,565
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>878,832</b>	139,744
<b>Earnings per share (RMB cents)</b>	16		
– Basic		133.10	17.74
– Diluted		131.69	17.42



# Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	15,014	24,279
Right-of-use assets	18	12,442	11,817
Investment properties	19	58,577	–
Intangible assets	20	335	1,654
Investments in associates	22	3,909	3,585
Equity investments at fair value through other comprehensive income	23	–	10,466
Investments at fair value through profit or loss	24	89,311	76,890
Prepayments, deposits and other receivables	27	17,432	13,886
Deferred tax assets	32	525	544
Term deposits	28	180,000	231
		377,545	143,352
<b>Current assets</b>			
Digital assets	25	2,359,976	78,598
Trade receivables	26	24,285	29,369
Prepayments, deposits and other receivables	27	43,706	69,332
Investments at fair value through profit or loss	24	–	131,611
Term deposits	28	29,456	732,150
Bank and cash balances	28	128,397	744,260
		2,585,820	1,785,320
<b>Total assets</b>		<b>2,963,365</b>	<b>1,928,672</b>



# Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	33	232	232
Reserves	35	2,462,318	1,598,557
<b>Total equity</b>		<b>2,462,550</b>	1,598,789
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	31	9,559	8,809
Deferred tax liabilities	32	147,423	896
		<b>156,982</b>	9,705
<b>Current liabilities</b>			
Trade and other payables	29	85,757	73,582
Contract liabilities	30	12,751	10,970
Lease liabilities	31	3,383	3,569
Current tax liabilities		241,942	232,057
		<b>343,833</b>	320,178
<b>Total liabilities</b>		<b>500,815</b>	329,883
<b>Total equity and liabilities</b>		<b>2,963,365</b>	1,928,672
<b>Net current assets</b>		<b>2,241,987</b>	1,465,142
<b>Total assets less current liabilities</b>		<b>2,619,532</b>	1,608,494

The consolidated financial statements on pages 115 to 190 were approved and authorised for issue by the Board of Directors on 5 March 2025 and signed on its behalf by:

**Tao Ying**  
Director

**Dai Zhikang**  
Director



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company										
	Share capital	Share premium	Repurchased shares	Shares held for RSU scheme	Capital reserve	Foreign currency translation reserve	Statutory reserve	Share-based payments reserve	Other reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	232	373,143	(112)	(14)	2,000	50,072	33,990	82,836	(272,833)	1,187,970	1,457,284
Total comprehensive income for the year	-	-	-	-	-	13,782	-	-	8,783	117,179	139,744
Cancellation of ordinary shares	-	(112)	112	-	-	-	-	-	-	-	-
Share-based payments – value of employee services	-	-	-	-	-	-	-	1,761	-	-	1,761
Changes in equity for the year	-	(112)	112	-	-	13,782	-	1,761	8,783	117,179	141,505
At 31 December 2023	232	373,031	-	(14)	2,000	63,854	33,990	84,597	(264,050)	1,305,149	1,598,789
At 1 January 2024	232	373,031	-	(14)	2,000	63,854	33,990	84,597	(264,050)	1,305,149	1,598,789
Total comprehensive (expenses)/ income for the year	-	-	-	-	-	(5,895)	-	-	948	883,779	878,832
Issue of shares upon exercise of share options	1	16,164	-	-	-	-	-	(4,676)	-	-	11,489
Repurchase of ordinary shares (Note 33)	-	-	(5,110)	-	-	-	-	-	-	-	(5,110)
Cancellation of ordinary shares	(1)	(5,109)	5,110	-	-	-	-	-	-	-	-
Share-based payments – exercise of RSUs	-	29,752	-	-	-	-	-	(29,752)	-	-	-
– value of employee services	-	-	-	-	-	-	-	2,552	-	-	2,552
Dividends	-	(24,002)	-	-	-	-	-	-	-	-	(24,002)
Changes in equity for the year	-	16,805	-	-	-	(5,895)	-	(31,876)	948	883,779	863,761
At 31 December 2024	232	389,836	-	(14)	2,000	57,959	33,990	52,721	(263,102)	2,188,928	2,462,550



# Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
<b>Cash flows from operating activities</b>			
Profit before income tax		1,043,521	126,950
Adjustments for:			
Finance costs		1,078	687
Share of (gains)/losses of associates		(324)	1,601
Interest income		(16,176)	(56,290)
Depreciation		7,456	11,545
Amortisation of intangible assets		842	219
Loss on disposals of property, plant and equipment		1,669	24
Loss on disposals of intangible assets		477	–
Net foreign exchange losses/(gains)		2,467	(814)
Share-based payments		2,552	1,761
Digital assets value-added gain		(51,237)	–
Unrealised fair value gain on digital assets		(864,713)	(911)
Unrealised fair value loss on investments at fair value through profit or loss		47,921	55,850
Dividends from investments at fair value through profit or loss		(28,380)	(2,675)
Reversal of loss allowance provision for trade receivables		(163)	(173)
Gain on early termination of the lease agreement		(918)	–
Loss allowance provision for loans to employees		32	40
Operating profit before changes in working capital		146,104	137,814
Change in trade receivables		5,127	(5,483)
Change in prepayments, deposits and other receivables		10,785	(30,591)
Change in trade and other payables		12,175	(4,310)
Change in contract liabilities		(840)	3,599
Cash generated from operating activities		173,351	101,029
Income tax paid		(8,545)	(7,156)
Lease interests paid	37(a)	(1,078)	(687)
<b>Net cash generated from operating activities</b>		<b>163,728</b>	<b>93,186</b>



# Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
<b>Cash flows from investing activities</b>			
Placement of term deposits with original maturities over three months		(527,614)	(1,178,101)
Proceeds from maturity of term deposits with original maturities over three months		1,048,510	1,613,939
Interest received		33,817	48,151
Dividends from investments at fair value through profit or loss		28,380	2,675
Purchases of investments at fair value through profit or loss		(25,780)	(130,000)
Proceeds from settlements of investments at fair value through profit or loss		133,184	51,433
Proceeds from disposal of equity investment through other comprehensive income		11,414	16,391
Purchases of digital assets		(1,376,043)	(77,687)
Purchases of intangible assets		–	(1,873)
Purchases of property, plant and equipment		(9,929)	(9,066)
Purchases of investment properties		(58,577)	–
Proceeds from disposals of property, plant and equipment		9,332	34
Proceeds from disposal of an associate		–	2,719
<b>Net cash (used in)/generated from investing activities</b>		<b>(733,306)</b>	<b>338,615</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	37(a)	(4,512)	(4,150)
Dividends		(24,002)	–
Repurchase of ordinary shares		(5,110)	–
<b>Net cash used in financing activities</b>		<b>(33,624)</b>	<b>(4,150)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(603,202)</b>	<b>427,651</b>
Effect of foreign exchange rate changes		(12,661)	22,653
Cash and cash equivalents at beginning of the year		744,260	293,956
<b>Cash and cash equivalents at end of the year</b>		<b>128,397</b>	<b>744,260</b>
<b>Analysis of cash and cash equivalents</b>			
Bank and cash balances		128,397	744,260



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 1. GENERAL INFORMATION

Boyaa Interactive International Limited (the “**Company**”) was incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its headquarters in Hong Kong is 19/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 21 to the consolidated financial statements.

## 2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Company and its subsidiaries (collectively referred to as the “**Group**”) has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

## 3. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by digital assets and investments which are carried at their fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

### ***Consolidation***

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, 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 Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### ***Associates***

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investments in associates is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### *Associates (Continued)*

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### *Foreign currency translation*

#### *(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group. The functional currency of the Company is United States dollars ("**USD**"). The directors consider that choosing RMB as the presentation currency best suits the needs of the shareholders and investors as the game development and operation of the Group have been within the PRC.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### *Foreign currency translation (Continued)*

#### **(b) Transactions and balances in each entity's financial statements**

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

#### **(c) Translation on consolidation**

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### ***Property, plant and equipment***

Land and buildings mainly comprise offices. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Land and buildings	20 years
Furniture and equipment	3 - 5 years
Motor vehicles	4 years
Leasehold improvements	Over the shorter of 3 years or remaining terms of the lease

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### ***Investment properties***

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over its estimated useful life of 20 years.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### ***Leases***

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal useful lives are as follows:

Buildings	5 years
Equipments	3 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

### ***Digital assets***

Since the Group actively trades crypto-currencies, purchasing them with a view to their resale in the near future, and generating a profit from fluctuations in the price, the Group applies the guidance in IAS 2 for commodity broker-traders and measures the digital assets at fair value less costs to sell. The Group considers there are no significant "costs to sell" digital assets and hence measurement of digital assets is based on their fair values with changes in fair values recognised in profit or loss in the period of the changes.

The Group has assessed the terms and conditions attached to stablecoins to determine whether they meet the definition of financial instruments. Certain stablecoins that are classified as financial instruments are measured at fair values with changes in fair value recognised in profit or loss in the period of the changes.

### ***Research and development expenditure***

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

### ***Computer software***

Computer software is initially recognised and measured at cost less amortisation. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and are amortised over their estimated useful lives of 5 years.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### ***Contractual customer relationships***

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship of 5 years.

### ***Recognition and derecognition of financial instruments***

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

### ***Financial assets***

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as under the following categories:

- Financial assets at amortised cost;
- Equity investments at fair value through other comprehensive income; and
- Investments at fair value through profit or loss.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### *Financial assets (Continued)*

#### **(a) Financial assets at amortised cost**

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

#### **(b) Equity investments at fair value through other comprehensive income**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the equity investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### **(c) Investments at fair value through profit or loss**

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### ***Loss allowances for expected credit losses***

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“**lifetime expected credit losses**”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

### ***Cash and cash equivalents***

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents.

### ***Financial liabilities and equity instruments***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### ***Trade and other payables***

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### *Revenue from contracts with customers*

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

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

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

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

### *Other revenue*

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

### *Employee benefits*

#### *(a) Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES (Continued)

### *Employee benefits (Continued)*

#### **(b) Pension obligations**

The Group companies incorporated in the PRC contribute based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

#### **(c) Termination benefits**

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

### *Share-based payments*

The Group operates a number of equity-settled share-based compensation plan under which share awards are granted to certain directors and employees as part of their remuneration packages.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value of the employee services received in exchange for the grant of the share-based awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share-based awards granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the numbers of share options and restricted share units (“RSU”) that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### ***Government grants***

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

### ***Taxation***

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### ***Taxation (Continued)***

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### ***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 purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### ***Related parties***

A related party is a person or entity that is related to the Group.

- (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 Company or of a parent of the Company.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### *Related parties (Continued)*

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Company 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).
  - (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. If the Group is itself such a plan, the sponsoring employers are also 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 Company or to a parent of the Company.

### *Impairment of assets*

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except deferred tax assets, investments and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### *Impairment of assets (Continued)*

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### *Provisions and contingent liabilities*

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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 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 is remote.

### *Events after the reporting period*

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

### *Critical judgements in applying accounting policies*

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### **(a) Contractual Arrangements**

The operations of the Group were initially conducted through Shenzhen Dong Fang Bo Ya Technology Co., Limited, a limited liability company established in the PRC by two shareholders of the Company, namely Mr. Zhang Wei and Mr. Dai Zhikang, on 13 February 2004.

Pursuant to applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting online games business and are restricted to conduct value-added telecommunications services. In order to make investments into the business of the Group, the Company established a subsidiary, Boyaa On-line Game Development (Shenzhen) Co., Limited, which is a wholly foreign owned enterprise incorporated in the PRC on 29 November 2010.

Boyaa On-line Game Development (Shenzhen) Co., Limited, Shenzhen Dong Fang Bo Ya Technology Co., Limited and its registered owners entered into a series of contractual arrangements (the “**Contractual Arrangements**”) entered into on 15 May 2013, which enable Boyaa On-line Game Development (Shenzhen) Co., Limited and the Group to:

- exercise effective financial and operational control over Shenzhen Dong Fang Bo Ya Technology Co., Limited;
- exercise all owners’ voting rights of Shenzhen Dong Fang Bo Ya Technology Co., Limited;
- receive substantially all of the economic interest returns generated by Shenzhen Dong Fang Bo Ya Technology Co., Limited in consideration for the business support, technical and consulting services provided by Boyaa On-line Game Development (Shenzhen) Co., Limited;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in Shenzhen Dong Fang Bo Ya Technology Co., Limited from the respective owners at a minimum purchase price permitted under PRC laws and regulations, and all or part of the assets of Shenzhen Dong Fang Bo Ya Technology Co., Limited at the net book value of such assets or such minimum purchase price permitted under PRC laws and regulations. Boyaa On-line Game Development (Shenzhen) Co., Limited may exercise such options at any time until it has acquired all equity interests and/or all assets of Shenzhen Dong Fang Bo Ya Technology Co., Limited; and
- obtain a pledge over the entire equity interest of Shenzhen Dong Fang Bo Ya Technology Co., Limited from their respective owners as collateral security for all of Shenzhen Dong Fang Bo Ya Technology Co., Limited’s payments due to Boyaa On-line Game Development (Shenzhen) Co., Limited and to secure performance of Shenzhen Dong Fang Bo Ya Technology Co., Limited’s obligations under the Contractual Arrangements.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Continued)*

### *Critical judgements in applying accounting policies (Continued)*

#### **(a) Contractual Arrangements (Continued)**

The Group do not hold any equity interests in Shenzhen Dong Fang Bo Ya Technology Co., Limited. Nevertheless, under the Contractual Agreements entered into between Boyaa On-line Game Development (Shenzhen) Co., Limited, Shenzhen Dong Fang Bo Ya Technology Co., Limited and its owners, the management determines that the Group has the power to govern the financial and operating policies of Shenzhen Dong Fang Bo Ya Technology Co., Limited so as to obtain benefits from its activities. As such, Shenzhen Dong Fang Bo Ya Technology Co., Limited is accounted for as subsidiary of the Group for accounting purposes.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Shenzhen Dong Fang Bo Ya Technology Co., Limited and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Shenzhen Dong Fang Bo Ya Technology Co., Limited. The directors of the Company, based on the advice of its legal advisor, consider that the Contractual Arrangements amongst Boyaa On-line Game Development (Shenzhen) Co., Limited, Shenzhen Dong Fang Bo Ya Technology Co., Limited and its equity holders are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

#### **(b) Non-consolidation of entities with 99% equity interests**

The directors have determined that the Group does not have control over a limited partnership namely Jiaying Boyaa ChunLei Equity Investments Limited Partnership Enterprise ("**Jiaying Boyaa**"). Jiaying Boyaa is not a controlled entity because the Group does not have power over the entity to affect its returns, despite the Group having contributed 99% of total contributions into the entity. The Group as limited partner is purely an investor role and the decisions relating to the daily operations and investment strategy and activities of Jiaying Boyaa are made solely by, and the decision making power is fully vested in, the general partner, an independent third party. The investment has a fair value of RMBnil (2023: RMB3,300,000). Details please refer to note 24(ii) to the consolidated financial statements.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Continued)*

### *Key sources of estimation uncertainty*

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

#### **(a) Revenue recognition**

The Group recognised revenue when consumable virtual items represent items that are extinguished after consumption in the form of fixed charges levied on each round of games played. The paying players will not continue to benefit from the virtual items thereafter. Revenue is recognised (as a release from contract liabilities) when the items are consumed and the related services are rendered. Determining when revenue arising from such online game business is recognised is complex and requires significant judgement. Management has arrived at this judgement after taking into account the nature and characteristics of virtual items, and the ways of the players within the games to benefit from these virtual items. Future patterns of virtual items beneficial to the paying players may differ from the historical patterns and therefore the time of revenue recognition may change in the future.

#### **(b) Income taxes**

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### **(c) Fair value of investments**

In the absence of quoted market prices in an active market, the Directors estimate the fair value of the Group's non-quoted investments in asset management plans, equity investment partnerships and wealth management products, details of which are set out in note 6 to the consolidated financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the Group's non-quoted investments in asset management plans, equity investment partnerships and wealth management products.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) *Foreign currency risk*

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are denominated in either RMB or USD. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### (b) *Price risk*

The Group's equity investments at fair value through other comprehensive income is measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with difference risk profiles.

At 31 December 2024, if the fair value of equity investments at fair value through other comprehensive income increase/decrease by 5%, other comprehensive income for the year would have been RMBnil (2023: RMB523,000) higher/lower.

### (c) *Credit risk*

The carrying amount of the bank and cash balances, term deposits, trade and other receivables, and investments in wealth management products included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The credit risk on bank and cash balances, digital assets, term deposits and investments in wealth management products are limited because the counterparties are reputable financial institutions in the PRC and reputable international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### *(c) Credit risk (Continued)*

Trade receivables are due from game distribution platforms and third-party payment vendors in cooperation with the Group. If the strategic relationship with game distribution platforms and third-party payment vendors is terminated or scaled-back; or if the game distribution platforms and third-party payment vendors alter the co-operative arrangements; or if they experience financial difficulties in paying the Group, the Group's game publishing receivables might be adversely affected in terms of recoverability. To manage this risk, the Group maintains frequent communications with the game distribution platforms and third-party payment vendors to ensure the effective credit control. In view of the history of cooperation with the game distribution platforms and third-party payment vendors and the sound collection history of receivables due from them, the directors of the Company believe that the credit risk inherent in the Group's outstanding trade receivable balances due from the game distribution platforms and third-party payment vendors is low.

For other receivables, the majority of the balances were expected to be settled within 12 months after the end of the reporting period based on the historical data and forward-looking information. The management of the Group did not consider there have been an significant increase in credit risk at the end of the reporting period since the initial recognition. As at 31 December 2024, the management of the Group considered the expected credit loss for these other receivables was insignificant.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- external credit rating (if available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers; and
- employment relationship with the employee borrower.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Credit risk (Continued)

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

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

All of these receivables are considered to have low risk and under the "Performing" category because they have a low risk of default and have strong ability to meet their obligations.

### (d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000
<b>At 31 December 2024</b>			
Trade and other payables	41,500	–	–
Lease liabilities	3,843	3,211	7,452
	<b>45,343</b>	<b>3,211</b>	<b>7,452</b>
<b>At 31 December 2023</b>			
Trade and other payables	29,073	–	–
Lease liabilities	4,072	4,073	5,360
	<b>33,145</b>	<b>4,073</b>	<b>5,360</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### *(e) Interest rate risk*

As the Group has no significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

The Group's bank deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

### *(f) Categories of financial instruments at 31 December*

	2024 RMB'000	2023 RMB'000
<b>Financial assets:</b>		
Investments at fair value through profit or loss:		
– Mandatorily measured	89,311	208,501
Equity investments at fair value through other comprehensive income	–	10,466
Financial assets at amortised cost (including cash and cash equivalents)	417,765	1,585,190
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	41,500	29,073

### *(g) Fair values*

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### (a) Disclosures of level in fair value hierarchy at 31 December:

Description	Fair value measurements using:			Total
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	2024 RMB'000
<b>Recurring fair value measurements:</b>				
Digital assets				
– Cryptocurrencies and stablecoins	2,359,976	–	–	2,359,976
	2,359,976	–	–	2,359,976
Investments at fair value through profit or loss				
– Equity investment partnerships	–	–	89,311	89,311
	–	–	89,311	89,311
<b>Total recurring fair value measurements</b>	<b>2,359,976</b>	<b>–</b>	<b>89,311</b>	<b>2,449,287</b>





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS (Continued)

### (a) Disclosures of level in fair value hierarchy at 31 December: (Continued)

Description	Fair value measurements using:			Total
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	2023 RMB'000
<b>Recurring fair value measurements:</b>				
Digital assets				
– Cryptocurrencies and stablecoins	78,598	–	–	78,598
	78,598	–	–	78,598
Investments at fair value through profit or loss				
– Asset management plans	–	–	16,700	16,700
– Equity investment partnerships	–	–	60,190	60,190
– Wealth management products	–	–	131,611	131,611
	–	–	208,501	208,501
Equity investments at fair value through other comprehensive income				
– Listed equity securities in Hong Kong	10,461	–	–	10,461
– Unlisted equity investments	–	–	5	5
	10,461	–	5	10,466
<b>Total recurring fair value measurements</b>	<b>89,059</b>	<b>–</b>	<b>208,506</b>	<b>297,565</b>

### (b) Reconciliation of assets and liabilities measured at fair value based on level 3:

Description	Investments at fair value through profit or loss RMB'000	Equity Investments at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2024	208,501	5	208,506
Total gains or losses recognised in profit or loss (#)	(47,921)	–	(47,921)
in other comprehensive income	–	(5)	(5)
Purchases	71,933	–	71,933
Settlements	(133,184)	–	(133,184)
Currency translation differences	(10,018)	–	(10,018)
At 31 December 2024	89,311	–	89,311
(#) Include gains or losses for assets held at end of reporting period (unrealised gains/losses)	(28,506)	–	(28,506)



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS (Continued)

### (b) Reconciliation of assets and liabilities measured at fair value based on level 3: (Continued)

Description	Investments at fair value through profit or loss RMB'000	Equity Investments at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2023	185,333	–	185,333
Total gains or losses recognised			
in profit or loss (#)	(55,850)	–	(55,850)
in other comprehensive income	–	5	5
Purchases	130,000	–	130,000
Settlements	(51,433)	–	(51,433)
Currency translation differences	451	–	451
At 31 December 2023	208,501	5	208,506
(#): Include gains or losses for assets held at end of reporting period (unrealised gains/losses)			
	(55,850)	–	(55,850)

The total gains or losses recognised in other comprehensive income are presented in other reserve in the consolidated statement of profit or loss and other comprehensive income.

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other gain/(losses), net in the consolidated statement of profit or loss and other comprehensive income.

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2024:

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the valuation methodology and major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for annual financial reporting.

For level 3 fair value measurements, the Group will normally engage an independent professional valuer with the recognised professional qualifications and recent experience to perform the valuations.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS (Continued)

(c) *Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2024: (Continued)*

### Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2024 RMB'000
<i>Investments at fair value through profit or loss</i>					
Asset management plans	Discount cash flows model	Discount rate	25.1%-36.4%	Decrease	–
Equity investment partnerships	Market approach	Lack of marketability discount	16.00%	Decrease	89,311
	Discount cash flows model	Discount rate	16.00%-25.00%	Decrease	
		Growth rate	3.00%	Increase	
<i>Equity investments at fair value through other comprehensive income</i>					
Unlisted equity investments	Share of net assets	N/A	N/A	N/A	–



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS (Continued)

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2024: (Continued)

#### Level 3 fair value measurements (Continued)

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2023 RMB'000
<i>Investments at fair value through profit or loss</i>					
Asset management plans	Discount cash flows model	Discount rate	25.1%-36.4%	Decrease	16,700
Equity investment partnerships	Market approach	Lack of marketability discount	16.00%	Decrease	60,190
		Discount rate	16.00%-25.00%	Decrease	
	Discount cash flows model	Growth rate	3.00%	Increase	
Wealth management products	Discount cash flows model	Estimated return	3.00%-3.15%	Increase	131,611
<i>Equity investments at fair value through other comprehensive income</i>					
Unlisted equity investments	Share of net assets	N/A	N/A	N/A	5

During the two years, there were no changes in the valuation techniques used.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 7. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the chief operating decision-maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group, which are prepared based on the same accounting policies.

The Group has two reportable segments as follows:

Online game related business – engaged in mobile and computer games development, operations and the related advisory services

Web3 related business – engaged in crypto-currencies related investments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

### Information about reportable segment profits or losses, assets and liabilities:

	Mobile gaming related business RMB'000	Web3 related business RMB'000	Total RMB'000
<b>For the year ended 31 December 2024</b>			
Segment revenue			
Revenue from external customers	405,648	51,237	456,885
Segment gain	176,570	915,950	1,092,520
Reconciliation:			
Unallocated losses			(47,921)
Finance cost			(1,078)
<b>Profit before income tax</b>			<b>1,043,521</b>

	Mobile gaming related business RMB'000	Web3 related business RMB'000	Total RMB'000
<b>For the year ended 31 December 2023</b>			
Segment revenue			
Revenue from external customers	394,582	–	394,582
Segment gain	182,576	911	183,487
Reconciliation:			
Unallocated losses			(55,850)
Finance cost			(687)
<b>Profit before income tax</b>			<b>126,950</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 7. SEGMENT INFORMATION (Continued)

*Information about reportable segment profits or losses, assets and liabilities: (Continued)*

	Mobile gaming related business RMB'000	Web3 related business RMB'000	Total RMB'000
<i>For the year ended 31 December 2024</i>			
Segment assets	585,152	2,378,213	2,963,365
Segment liabilities	345,814	155,001	500,815
	Mobile gaming related business RMB'000	Web3 related business RMB'000	Total RMB'000
<i>For the year ended 31 December 2023</i>			
Segment assets	1,850,074	78,598	1,928,672
Segment liabilities	329,883	–	329,883

The Group's non-current assets other than equity investments at fair value through other comprehensive income, investments at fair value through profit or loss, deferred tax assets and term deposits were located as follows:

	2024 RMB'000	2023 RMB'000
Mainland China	98,240	32,024
Other locations	9,469	20,197
	107,709	52,221



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 8. REVENUE

	2024 RMB'000	2023 RMB'000
Web-based games	116,105	118,017
Mobile games	289,543	276,565
	405,648	394,582
Revenue from other sources:		
Digital assets value-added gain	51,237	–
Revenue from contracts with customers	456,885	394,582

### Disaggregation of revenue from contracts with customers:

#### Timing of revenue recognition

	2024 RMB'000	2023 RMB'000
At a point of time	405,648	394,582

The Group offers its games in various language versions in order to enable game players to play the games in different geographical locations. The Group's operations are substantially located in the PRC (including Hong Kong). A breakdown of revenue derived from different languages versions of the Group's games is as follows:

	2024 RMB'000	2023 RMB'000
Simplified Chinese	17,549	19,082
Other languages	388,099	375,500
	405,648	394,582



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 8. REVENUE (Continued)

### *Sales of game tokens or other virtual items*

The Group's revenue is primarily derived from the sales of in-game virtual tokens ("**Game Tokens**") and other virtual items in its game development operations ("**Game Development**") through cooperation with various third-party game distribution platforms and payment vendors. These game distribution platforms include major social networking websites (such as Facebook), online application stores (such as Apple Inc.'s App Store and Google Play installed in mobile telecommunications devices), web-based and mobile game portals, telecommunication operators and pre-paid game card distributors in certain countries and regions (collectively referred to as "**Platforms**").

In cooperation with Platforms, the Group is responsible for hosting the games, providing on-going updates of new contents, technical support for the operations of the games, as well as preventing, detecting and resolving in-game cheating and hacking activities. Platforms are responsible for distribution, marketing, platform maintenance, payer authentication and payment collections related to the games.

The Group's games are free to play and players can purchase Game Tokens or other virtual items for better in-game experience. Players purchase the Group's Game Tokens or other virtual items ("**Paying Players**") through Platforms' own charging systems or their accounts maintained with third party payment vendors, or charging from the prepaid game cards they purchased. Generally, the payments received for purchasing the Group's Game Tokens or other virtual items are non-refundable and the related contracts are non-cancellable. Platforms and third party payment vendors collect the payment from the Paying Players and remit the cash net of commission charges which are pre-determined to the Group according to the relevant terms of the agreements entered into between the Group and Platforms or third party payment vendors.

Upon the sales of Game Tokens or other virtual items, the Group typically has an implied obligation to provide the services which enable the Game Tokens or other virtual items to be displayed or used in the games. As a result, the proceeds received from sales of Game Tokens or other virtual items are initially recorded as service fees prepaid by game players and included in contract liabilities, while the proceeds received from sales of prepaid game cards are initially recorded as advance received from sales of prepaid game cards and included in contract liabilities. This advance is then transferred to service fees prepaid by game players when the game cards are activated by the players, i.e. the first time the players use the prepaid game cards to credit their game accounts. The attributable portion of the service fees prepaid by game players relating to values of the Game Tokens consumed and other virtual items purchased are immediately recognised as revenue only when the services are rendered to the respective Paying Players.

In the current and comparative period, the Group render services to Paying Players to enhance their in-game experience through their consumption of virtual items. These virtual items are extinguished after consumption in the form of fixed charges levied on each round of games played. The Paying Players will not continue to benefit from the virtual items thereafter and the Group will not have further obligations to the Paying Players after the virtual items consumed. Revenue is immediately recognised (as a release from contract liabilities) when the items are consumed and the related services are rendered, which was taken to be the point in time.





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 8. REVENUE (Continued)

### Principal and agent consideration

The Group has evaluated the roles and responsibilities of the Group and Platforms or third party payment vendors in the delivery of game experience to the Paying Players in order to determine whether or not the Group acts as the principal or as an agent in the arrangement with each party respectively. The determination of whether to record the revenues on gross basis or net basis is depended on an assessment of various factors, including but not limited to whether the Group (i) is the primary obligor in the arrangement; (ii) has general inventory risk; (iii) changes the product or performs part of the services; (iv) has latitude in establishing the selling price; and (v) has involvement in the determination of product and service specifications.

Under the arrangements with Platforms or third party payment vendors, the Group takes primary responsibilities of game operation, including determining distribution and payment channels, providing customer services, hosting and maintaining game servers, controlling game and services specifications and pricing. After considering these factors, the Group concluded itself as a principal to deliver in-game experience to Paying Players in these arrangements and accordingly, the Group records revenue on a gross basis, and commission charges by Platforms or third party payment vendors are recorded as cost of revenue.

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (2023: nil).

## 9. OTHER GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Dividends from investments at fair value through profit or loss	28,380	2,675
Loss on disposals of property, plant and equipment	(1,669)	(24)
Loss on disposal of intangible assets	(477)	–
Government subsidies and tax rebates (Note a)	717	642
Net foreign exchange (losses)/gains	(2,467)	814
Unrealised fair value changes on digital assets	864,713	911
Unrealised fair value changes on investments at fair value through profit or loss	(47,921)	(55,850)
Gain on early termination of the lease agreement	918	–
Others	(1,101)	(366)
	841,093	(51,198)

Notes:

- (a) Government subsidies represented various industry-specific subsidies granted by the government authorities to subsidise the research and development costs incurred by the Group during the course of its business.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 10. FINANCE INCOME

	2024 RMB'000	2023 RMB'000
Interest revenue	15,158	55,766
Interest revenue on non-current loans to employees	1,018	524
	16,176	56,290

## 11. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Lease interests	1,078	687

## 12. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax - PRC Enterprise Income Tax ("EIT") and other jurisdictions	13,195	9,752
Deferred tax (Note 32)	146,547	19
	159,742	9,771

### (a) EIT

The income tax provision of the Group in respect of operations in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for the years ended 31 December 2024 and 2023, based on the existing legislation, interpretations and practices in respect thereof.

Boyaa On-line Game Development (Shenzhen) Co., Limited has successfully renewed its "High and New Technology Enterprise" ("HNTE") qualification under EIT Law during the year ended 31 December 2022 and as a result, Boyaa On-line Game Development (Shenzhen) Co., Limited enjoy a preferential tax rate of 15% from 1 January 2022 to 31 December 2024. Therefore, the applicable tax rate for Boyaa On-line Game Development (Shenzhen) Co., Limited was 15% (2023: 15%) for the year ended 31 December 2024.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 12. INCOME TAX EXPENSE (Continued)

### (a) EIT (Continued)

Shenzhen Intelligent Innovation Technology Co., Limited has successfully obtained income tax incentives of the integrated circuit and software sectors under EIT Law during the year ended 31 December 2023 and as a result, Shenzhen Intelligent Innovation Technology Co., Limited enjoy a tax free period from 1 January 2023 to 31 December 2024. Therefore, the applicable tax rate for Shenzhen Intelligent Innovation Technology Co., Limited was 0% for the year ended 31 December 2024 (2023: 0%).

According to policies promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 200% (2023: 200%) of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year ("**Super Deduction**"). Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited (2023: Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited) had claimed such Super Deduction in ascertaining its tax assessable profits for the year ended 31 December 2024.

### (b) PRC withholding tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

As at 31 December 2024, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside of the PRC, for which no deferred income tax liability had been provided, were RMB383,502,000 (2023: RMB243,841,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their foreign investor in the foreseeable future based on the management's estimation of overseas funding requirements.

### (c) Hong Kong Profits Tax

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

### (d) Singapore Profits Tax

Singapore Profits Tax has been provided at the rate of 17% on assessable profits for the year ended 31 December 2024 and 2023.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 12. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of profit before income tax multiplied by the PRC EIT rate of the consolidated companies is as follows:

	2024 RMB'000	2023 RMB'000
Profit before income tax	1,043,521	126,950
Less: share of (gains)/losses of associates	(324)	1,601
	1,043,197	128,551
Tax at EIT rate of 25% (2023: 25%)	260,799	32,138
Tax effect of incomes that are not taxable	(4,426)	(8,219)
Tax effect of expenses that are not deductible	8,806	7,796
Tax effect of utilisation of tax losses not previously recognised	(9,863)	–
Over-provision in prior years	(2)	(199)
Tax losses not recognised	2,517	1,925
Super Deduction	(17,622)	(14,639)
Effect of different tax rates of subsidiaries	(79,531)	(8,776)
Others	(936)	(255)
Income tax expense	159,742	9,771



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 13. PROFIT FOR THE YEAR

The Group's profit for the year is stated after (crediting)/charging the following:

	2024 RMB'000	2023 RMB'000
Amortisation of intangible assets		
– included in administrative expenses	842	219
	842	219
Depreciation	7,456	11,545
Directors' emoluments (Note 14)		
– Fee	858	777
– Salaries, allowances and bonuses	600	722
– Retirement benefit scheme contributions	14	29
	1,472	1,528
Research and development expenditure		
– included in staff costs	54,562	55,623
– included in depreciation	473	344
– included in other administrative expenses	2,853	1,461
	57,888	57,428
Auditor's remuneration		
– Audit services	2,034	1,983
– Non-audit services	547	620
	2,581	2,603
Reversal of loss allowance provision for trade receivables	(163)	(173)
Loss allowance provision for loans to employees	32	40
Staff costs including directors' emoluments		
– Wages, salaries and bonuses	73,755	79,528
– Retirement benefit scheme contributions	4,387	6,774
– Share-based payments	2,552	1,761
	80,694	88,063



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 14. DIRECTORS', SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

### (a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules, is as follows:

Name of directors	2024					
	Fees RMB'000	Salaries, allowances and benefits RMB'000	Discretionary bonuses RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Total RMB'000
<i>Executive directors:</i>						
Mr. Dai Zhikang	-	-	-	-	-	-
Ms. Tao Ying	-	600	-	14	876	1,490
<i>Independent non-executive directors:</i>						
Mr. Cheung Ngai Lam	365	-	-	-	-	365
Mr. Choi Hon Keung Simon	319	-	-	-	-	319
Mr. Ma Jingchun (Note (i))	106	-	-	-	-	106
Mr. Kong Fanwei (Note (ii))	68	-	-	-	-	68
	858	600	-	14	876	2,348



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 14. DIRECTORS', SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (a) Directors' and chief executive's emoluments (Continued)

Name of directors	2023					
	Fees RMB'000	Salaries, allowances and benefits RMB'000	Discretionary bonuses RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Total RMB'000
<i>Executive directors:</i>						
Mr. Dai Zhikang	–	226	–	5	–	231
Ms. Tao Ying	–	496	–	24	–	520
<i>Independent non-executive directors:</i>						
Mr. Cheung Ngai Lam	361	–	–	–	–	361
Mr. Choi Hon Keung Simon	315	–	–	–	–	315
Mr. Kong Fanwei (Note (ii))	101	–	–	–	–	101
	777	722	–	29	–	1,528

Notes:

(i) Mr. Ma Jingchun was appointed as an independent non-executive director on 19 April 2024.

(ii) Mr. Kong Fanwei was retired as an independent non-executive director on 19 April 2024.

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 14. DIRECTORS', SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (b) Senior management's emoluments

Senior management includes directors, chief executive officer and other senior executives. The aggregate compensation paid/payable to senior management for employee services excluding the directors and the chief executive officer whose details have been reflected in note 14(a) to the consolidated financial statements is as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and bonuses	680	1,020
Retirement benefit scheme contributions	30	45
	710	1,065

The number of senior management for employee services excluding the directors and the chief executive officer whose remuneration falls within the following band:

	Number of individuals	
	2024	2023
Nil to HK\$1,000,000 (Note)	–	3
HK\$1,000,001 to HK\$1,500,000	1	–

Note:

In 2024, 2 (2023: 1) senior executive resigned from the Group.





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 14. DIRECTORS', SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (c) Five highest paid employees

The five highest paid employees of the Group during the year included 1 (2023: 0) director whose remuneration are set out in note 14(a) above. Details of the remuneration for the year of the remaining 4 (2023: 5) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and bonuses	2,293	3,850
Retirement benefit scheme contributions	15	74
	2,308	3,924

The number of the highest paid employees who are not the Directors and whose remuneration falls within the following bands:

	Number of individuals	
	2024	2023
Nil to HK\$1,000,000	4	5

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 15. DIVIDEND

A final dividend in respect of the year ended 31 December 2024 of HK\$0.1064 per ordinary share, amounting to total dividend of approximately HK\$75,596,000, was proposed pursuant to a resolution passed by the Board on 5 March 2025 and subject to the approval of the shareholders at the forthcoming annual general meeting. The consolidated financial statements do not reflect the dividend payable.

A final dividend in respect of the year ended 31 December 2023 of HK\$0.0372 per share (equivalent to RMB0.0338 per share) was proposed pursuant to a resolution passed by the Board on 1 March 2024 and approved by the shareholders at the annual general meeting held on 19 April 2024. Such dividend, amounted to approximately HK\$26,396,000 (equivalent to RMB24,002,000), was paid in 31 May 2024.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2024 RMB'000	2023 RMB'000
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share	<b>883,779</b>	117,179
	2024 '000	2023 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>663,979</b>	660,657
Effect of dilutive potential ordinary shares arising from RSUs	<b>7,118</b>	12,088
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>671,097</b>	672,745



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>Cost</b>					
At 1 January 2023	16,444	16,992	6,247	47,985	87,668
Additions	9,551	739	–	30	10,320
Disposals	–	(591)	–	–	(591)
Currency translation differences	288	51	24	–	363
<b>At 31 December 2023 and 1 January 2024</b>	<b>26,283</b>	<b>17,191</b>	<b>6,271</b>	<b>48,015</b>	<b>97,760</b>
<b>Additions</b>	<b>–</b>	<b>1,932</b>	<b>656</b>	<b>963</b>	<b>3,551</b>
<b>Disposals</b>	<b>(16,792)</b>	<b>(1,597)</b>	<b>–</b>	<b>–</b>	<b>(18,389)</b>
<b>Currency translation differences</b>	<b>320</b>	<b>71</b>	<b>37</b>	<b>–</b>	<b>428</b>
<b>At 31 December 2024</b>	<b>9,811</b>	<b>17,597</b>	<b>6,964</b>	<b>48,978</b>	<b>83,350</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	4,950	15,883	3,619	42,391	66,843
Charge for the year	1,204	650	838	4,331	7,023
Disposals	–	(534)	–	–	(534)
Currency translation differences	85	38	26	–	149
<b>At 31 December 2023 and 1 January 2024</b>	<b>6,239</b>	<b>16,037</b>	<b>4,483</b>	<b>46,722</b>	<b>73,481</b>
<b>Charge for the year</b>	<b>459</b>	<b>592</b>	<b>656</b>	<b>380</b>	<b>2,087</b>
<b>Disposals</b>	<b>(6,314)</b>	<b>(1,074)</b>	<b>–</b>	<b>–</b>	<b>(7,388)</b>
<b>Currency translation differences</b>	<b>59</b>	<b>68</b>	<b>29</b>	<b>–</b>	<b>156</b>
<b>At 31 December 2024</b>	<b>443</b>	<b>15,623</b>	<b>5,168</b>	<b>47,102</b>	<b>68,336</b>
<b>Carrying amount</b>					
<b>At 31 December 2024</b>	<b>9,368</b>	<b>1,974</b>	<b>1,796</b>	<b>1,876</b>	<b>15,014</b>
At 31 December 2023	20,044	1,154	1,788	1,293	24,279



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 18. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

<b>At 31 December</b>	<b>2024 RMB'000</b>	<b>2023 RMB'000</b>
Right-of-use assets		
– Buildings	<b>12,434</b>	11,633
– Equipments	<b>8</b>	184
	<b>12,442</b>	11,817
Lease commitments of short-term leases	<b>3,807</b>	2,766
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	<b>3,843</b>	4,072
– Between 1 and 2 years	<b>3,211</b>	4,073
– Between 2 and 5 years	<b>7,452</b>	5,360
	<b>14,506</b>	13,505

<b>Year ended 31 December</b>	<b>2024 RMB'000</b>	<b>2023 RMB'000</b>
Depreciation charge of right-of-use assets		
– Buildings	<b>4,407</b>	3,572
– Equipments	<b>962</b>	950
	<b>5,369</b>	4,522
Lease interests	<b>1,078</b>	687
Expenses related to short-term leases	<b>18,380</b>	16,559
Total cash outflow for leases	<b>23,970</b>	21,396
Additions to right-of-use assets	<b>15,702</b>	–

The Group leases various buildings and servers. Lease agreements are typically made for fixed periods of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 19. INVESTMENT PROPERTIES

	2024 RMB'000
<b>Cost</b>	
At 1 January	–
Additions	58,577
At 31 December	58,577
<b>Accumulated depreciation and impairment loss</b>	
At 1 January	–
Charge for the year	–
At 31 December	–
<b>Net book value</b>	
At 31 December	58,577
Fair value as at 31 December	95,090

All the Group's investment properties are located in Mainland China. The title certificates of buildings was obtained in late December 2024, no depreciation and rental income for the year ended 31 December 2024.

The fair values of the investment properties at 31 December 2024 were estimated on the open market value basis by reference to market evidence of recent transactions for similar properties by Henan Zhengyuan Integrated Assets and Property Valuation Limited, an independent firm of chartered surveyors.

The Group leases out its investment properties under operating leases. The average lease term is 3 years. All leases are on a fixed rental basis and do not include variable lease payments.

The Group leases its investment properties. At the end of the reporting period, the future minimum lease payments under non-cancellable leases are receivables as follows:

	2024 RMB'000
Within one year	1,800
After one year but within five years	3,600
	5,400



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 20. INTANGIBLE ASSETS

	Computer software RMB'000	Computer customer relationship RMB'000	Total RMB'000
<b>Cost</b>			
<b>At 1 January 2023</b>	<b>3,461</b>	<b>4,823</b>	<b>8,284</b>
Additions	1,873	–	1,873
<b>At 31 December 2023 and 1 January 2024</b>	<b>5,334</b>	<b>4,823</b>	<b>10,157</b>
Disposals	(715)	–	(715)
<b>At 31 December 2024</b>	<b>4,619</b>	<b>4,823</b>	<b>9,442</b>
<b>Accumulated amortisation</b>			
At 1 January 2023	3,461	4,823	8,284
Amortisation for the year	219	–	219
At 31 December 2023 and 1 January 2024	3,680	4,823	8,503
Amortisation for the year	842	–	842
Disposals	(238)	–	(238)
<b>At 31 December 2024</b>	<b>4,284</b>	<b>4,823</b>	<b>9,107</b>
<b>Carrying amount</b>			
<b>At 31 December 2024</b>	<b>335</b>	<b>–</b>	<b>335</b>
At 31 December 2023	1,654	–	1,654



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 21. SUBSIDIARIES

Particulars of the Group's principal subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation/ registration and operations	Issued and paid up capital	Percentage of ownership interest/voting power/ profit sharing 2024		Percentage of ownership interest/voting power/ profit sharing 2023		Principal activities
			Direct	Indirect	Direct	Indirect	
Boyaa Holdings Limited	British Virgin Islands ("BVI")	USD1	100%	–	100%	–	Investment holding
Boyaa Interactive (Hong Kong) Limited	Hong Kong	HK\$10,000	–	100%	–	100%	Operation of online games
Boyaa On-line Game Development (Shenzhen) Co., Limited (博雅網絡遊戲開發(深圳)有限公司) (Note (iii)) (Note (iv))	PRC	USD4,000,000	–	100%	–	100%	Development of online games and provision of advisory services
Shenzhen Dong Fang Bo Ya Technology Co., Limited (深圳市東方博雅科技有限公司) (Note (iv))	PRC	RMB10,000,000	–	100% (Note (i))	–	100% (Note (i))	Development and operation of online games
Boyaa Interactive (Thailand) Limited	Thailand	Thailand Baht 8,000,000	–	99% (Note (ii))	–	99% (Note (ii))	Provision of advisory services relating to online game applications
Shanghai Chunlei Interactive Network Technology Co., Limited (上海春雷互動網絡科技有限公司) (Note (iii)) (Note (iv))	PRC	RMB100,000	–	100%	–	100%	Provision of advisory services
Shenzhen Coalaa Network Technology Co., Limited (深圳市卡拉網絡科技有限公司) (Note (iv))	PRC	RMB8,100,000	–	100% (Note (i))	–	100% (Note (i))	Provision of advisory services



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 21. SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration and operations	Issued and paid up capital	Percentage of ownership interest/voting power/ profit sharing 2024		Percentage of ownership interest/voting power/ profit sharing 2023		Principal activities
			Direct	Indirect	Direct	Indirect	
PT Boyaa Interactive Indonesia	Indonesia	Indonesian Rupiah ("IDR") 3,000,000,000 and IDR1,301,310,097	–	100%	–	100%	Operation of online games
Boyaa Interactive (Viet Nam) Company Limited	Vietnam	Vietnam Dong ("VND") 5,000,000,000 and VND587,629,310	–	100%	–	100%	Provision of advisory services
Shenzhen Erlulu Technology Company Limited (深圳市貳陸陸科技 有限公司) (Note (iv))	PRC	RMB10,000,000	–	100%	–	100%	Development of online games and provision of advisory services
Erlulu (Shenzhen) Game Development Company Limited (貳陸陸(深圳) 遊戲開發有限公司) (Note (iii)) (Note (iv))	PRC	RMB10,000,000	–	100%	–	100%	Provision of advisory services
Spring Thunder Technology Limited	Hong Kong	HK\$1	–	100%	–	100%	Operation of online games
Jiuhao PTE. Limited	Singapore	SGD10,000	–	100%	–	100%	Operation of Web3 business
YAAKO Technology Limited (雅科科技有限公司)	Hong Kong	HK\$10,000	–	100%	–	100%	Operation of Web3 business
Shenzhen Hantang Jiyuan Technology Co., Limited (深圳漢唐紀元科技 有限公司) (Note (iv))	PRC	RMB1,000,000	–	100%	–	100%	Development of online games and provision of advisory services





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 21. SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration and operations	Issued and paid up capital	Percentage of ownership interest/voting power/ profit sharing 2024		Percentage of ownership interest/voting power/ profit sharing 2023		Principal activities
			Direct	Indirect	Direct	Indirect	
Shenzhen Intelligent Innovation Technology Co., Limited (深圳市嘉訊 智創科技有限公司) (Note (iv))	PRC	RMB1,000,000	–	100%	–	100%	Development of online games and provision of advisory services
Three Kingdoms Limited	Hong Kong	HK\$10,000	–	100%	–	100%	Operation of online games
Hantang Jiyuan Technology (Henan) Co., Limited (汉唐紀元科技(河南) 有限公司) (Note (v))	PRC	RMB1,000,000	–	100%	–	–	Development of online games and provision of advisory services

### Notes:

- (i) As described in note 4 to the consolidated financial statements, the Company does not have legal ownership in equity of Shenzhen Dong Fang Bo Ya Technology Co., Limited and its subsidiaries (Shenzhen Fengxunsheng Technology Co., Limited and Shenzhen Coalaa Network Technology Co., Limited). Nevertheless, under certain contractual agreements entered into with the registered owners of Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited controls these companies by way of controlling the voting rights, governing their financial and operating policies, and casting full votes at meetings of such authorities. In addition, such contractual agreements also transfer the risks and rewards of these companies to Boyaa On-line Game Development (Shenzhen) Co., Limited. As a result, these entities are consolidated as wholly owned subsidiaries of the Group.
- (ii) The directors of the Company consider that the non-controlling interests of this subsidiary was insignificant to the Group and thus the summarised financial information of this subsidiary is not disclosed.
- (iii) Boyaa On-line Game Development (Shenzhen) Co., Limited, Shanghai Chunlei Interactive Network Technology Co., Limited and Erlulu (Shenzhen) Game Development Company Limited are a wholly-owned foreign enterprises established in the PRC.
- (iv) Those entities are limited liability enterprises established under PRC law.
- (v) Hantang Jiyuan Technology (Henan) Co., Limited was established on the 25th June 2024 in PRC.

The English names of certain subsidiaries referred herein represent the management's best efforts in translating the Chinese name of these companies as no English names have been registered.

The sum of revenue, expenses, total assets and total liabilities of Shenzhen Dong Fang Bo Ya Technology Co., Limited and its subsidiaries amounting to approximately RMB167.7 million and RMB127.6 million (2023: RMB81.5 million and RMB104.0 million) for the year ended 31 December 2024 and approximately RMB404.5 million and RMB578.0 million (2023: RMB217.6 million and RMB433.8 million) as at 31 December 2024, respectively.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 22. INVESTMENTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Unlisted investments in PRC:		
Share of net assets	3,909	3,585

Particulars of the associates of the Group are as follows:

Name	Place of incorporation/ registration and operations	Percentage of ownership interest/ profit sharing		Principal activities
		2024	2023	
Shenzhen Fanhou Technology Co., Limited (深圳市飯後科技有限公司)	PRC	24.00%	24.00%	Game development
Shenzhen HuifuWorld Network Technology Co., Limited (深圳市匯富天下網絡科技有限公司)	PRC	14.70%	14.70%	Development and operation of Internet Protocol television ("IPTV") and Android Set-Top-Box related channels and platforms and lottery
Shenzhen Easething Technology Co., Limited (深圳市易新科技有限公司)	PRC	10.00%	10.00%	Development and operation of intelligent hardware and artificial intelligence system
Shenzhen Jisiwei Intelligent Technology Co., Limited (深圳市極思維智能科技有限公司)	PRC	12.00%	12.00%	Development and sales of electronic products and development of intelligence applications
Shanghai Allin Network Technology Co., Limited (上海傲英網絡科技有限公司)	PRC	15.75%	15.75%	Development and operation of IPTV platform and poker games



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 22. INVESTMENTS IN ASSOCIATES (Continued)

Although the Group holds less than 20% of the voting power of Shenzhen HuifuWorld Network Technology Co., Limited, Shenzhen Easething Technology Co., Limited, Shenzhen Jisiwei Intelligent Technology Co., Limited and Shanghai Allin Network Technology Co., Limited, the Group exercises significant influence over these companies because the Group is guaranteed a seat on the boards of directors of these companies through investment agreements and hence has the power to participate in the making of significant financial and operating decisions in relation to of these companies.

The directors of the Company considered that all associates as at 31 December 2024 and 31 December 2023 were insignificant to the Group and thus the individual summarised financial information of these associates is not disclosed.

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2024 RMB'000	2023 RMB'000
At 31 December:		
Carrying amounts of interests	3,909	3,585
Year ended 31 December:		
Gains/(losses)	324	(1,601)
Total comprehensive income/(expenses)	324	(1,601)

As at 31 December 2024, the bank and cash balances of the Group's associates in the PRC denominated in RMB amounted to RMB333,000 (2023: RMB189,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 23. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Equity securities, at fair value		
– Listed in Hong Kong – Xiaomi Corporation	–	10,461
– Unlisted equity securities	–	5
Total equity investments at fair value through other comprehensive income, analysed as non-current assets	–	10,466

The above investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

## 24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
<b>Included in non-current assets</b>		
Non-quoted investments in:		
– asset management plans (Notes (i) and (iv))	–	16,700
– equity investment partnerships (Notes (ii) and (iv))	89,311	60,190
	89,311	76,890
<b>Included in current assets</b>		
Non-quoted investments in:		
– wealth management products (Note (iii))	–	131,611
	–	131,611
	89,311	208,501



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes:

- (i) They represented the entrusted investments with the principal amount of RMB80.0 million each to 2 independent asset management companies incorporated in the PRC. The estimated minimum return of such asset management plans is 5.05% per annum. If the estimated annual return cannot be achieved, the Group or asset management companies have an option to early terminate the asset management plans.

For asset management plan A, the principal was RMB80.0 million at 31 December 2024 (2023: RMB80 million). During the year ended 31 December 2022, the Group and the asset management company entered into an extension agreement. The Group is now under litigation process with asset management plan A.

For asset management plan B, after several supplemental agreements, the remaining principal was RMB21.1 million at 31 December 2024 (2023: RMB21.1 million). During the year ended 31 December 2022, the Group and the asset management company entered into an extension agreement. The Group is now under litigation process with asset management plan B.

- (ii) They represented investments in equity investment partnership as a limited partner, which are mainly engaged in investments in early-stage and high-growth companies in the technology, media and telecommunications and Web3 industry in China. They have initial terms ranging from 5 to 10 years.

On 28 December 2016, the Group, through Shenzhen Dong Fang Bo Ya Technology Co., Limited, established a limited partnership, Jiaxing Boyaa with Shanghai Tailai Tianji Asset Management Co., Limited. During the year ended 31 December 2024, the Group's accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaxing Boyaa. The fair value of the investment in Jiaxing Boyaa as at 31 December 2024 was zero. Jiaxing Boyaa is established for carrying out equity investments, venture capital investments and investments in securities, subject to certain investment restrictions. The partnership term of Jiaxing Boyaa had expired during the year 2024, and it had gone into liquidation process during the year 2024.

For the year ended 31 December 2024, the fair value loss of the investment in Jiaxing Boyaa was approximately RMB3.3 million (for the year ended 31 December 2023: fair value loss was approximately RMB4.0 million).

- (iii) Investments in wealth management products are investments in wealth management plans provided by financial institutions in the PRC. They have initial terms ranging from 30 days to 364 days. All investments in wealth management have been fully settled during the year.
- (iv) The management of the Group is of the view that the investments are not held for trading and does not expect that the Group will realise the investments at fair value through profit or loss within 12 months after the date of the consolidated statement of financial position.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 25. DIGITAL ASSETS

	2024 RMB'000	2023 RMB'000
Crypto-currencies and stable coins	2,359,976	78,598

## 26. TRADE RECEIVABLES

Trade receivables were arising from the operation of online game business. Platforms and third party payment vendors collect the payment from the Paying Players and remit the cash net of commission charges which are pre-determined according to the relevant terms of the agreements entered into between the Group and Platforms or third party payment vendors. The credit terms of trade receivables granted to the platforms and third party payment vendors are usually 30 to 120 days.

	2024 RMB'000	2023 RMB'000
Trade receivables	24,451	29,578
Provision for loss allowance	(166)	(209)
Carrying amount	24,285	29,369

The aging analysis of trade receivables, based on recognition date of the trade receivables, net of allowance, is as follows:

	2024 RMB'000	2023 RMB'000
0 to 30 days	16,423	25,677
31 to 60 days	7,315	2,975
61 to 90 days	228	448
91 to 180 days	225	142
181 to 360 days	93	126
Over 360 days	1	1
	24,285	29,369



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 26. TRADE RECEIVABLES (Continued)

Reconciliation of loss allowance for trade receivables:

	2024 RMB'000	2023 RMB'000
At 1 January	209	264
Decrease in loss allowance for the year	(163)	(173)
Currency translation differences	120	118
At 31 December	166	209

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Within 30 days past due	31 – 60 days past due	61 – 120 days past due	Over 120 days past due	Total
<b>At 31 December 2024</b>						
Weighted average expected loss rate	1%	1%	0%	4%	13%	
Receivable amount (RMB'000)	21,556	2,487	84	107	217	24,451
Loss allowance (RMB'000)	108	26	–	4	28	166
<b>At 31 December 2023</b>						
Weighted average expected loss rate	1%	1%	2%	3%	100%	
Receivable amount (RMB'000)	21,681	2,612	5,050	234	1	29,578
Loss allowance (RMB'000)	108	27	67	6	1	209



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
<b>Included in non-current assets</b>		
Prepayments for purchase of property, plant and equipment	6,378	–
Loans to employees (Note)	10,001	12,833
Advances to employees	1,053	1,053
	<b>17,432</b>	<b>13,886</b>
<b>Included in current assets</b>		
Loans to employees (Note)	2,410	3,448
Advances to employees	1,405	818
Deposits	1,249	1,230
Prepayments for advertising costs	3,879	1,484
Prepaid commission charges	1,627	1,726
Prepayments for rental of servers	55	48
Interest receivables	5,337	22,978
Undeducted input value-added tax	799	723
Prepayments to securities broker	4	19,472
Prepayments for legal expenses	53	57
Others	26,888	17,348
	<b>43,706</b>	<b>69,332</b>

Note:

Loans to employees represented housing or auto loans to certain employees. These loans are unsecured, interest-free and have initial repayment terms ranging from 1 to 10 years. The initial fair values of the non-current loans to employees were based on cash flows discounted using interest rates based on the prevailing borrowing rates ranging from 4.75% to 6.15% (2023: 4.75% to 6.15%) p.a. promulgated by the People's Bank of China.





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 28. TERM DEPOSITS AND BANK AND CASH BALANCES

The Group's term deposits represented deposits to banks. The deposits are in USD, HK\$ and RMB and at average fixed interest rates of 2.70% (2023: 4.29%) p.a. and therefore are subject to foreign currency risk and fair value interest rate risk.

As at 31 December 2024, the term deposits and bank and cash balances of the Group denominated in RMB amounted to RMB247,826,000 (2023: RMB449,327,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

## 29. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	985	724
Other tax payables	44,257	44,509
Accrued expenses	16,986	4,902
Accrued commissions charges by platforms	5,807	5,807
Accrued advertising expenses	5,158	5,209
Salary and staff welfare payables	12,477	12,188
Others	87	243
	<b>85,757</b>	<b>73,582</b>

The aging analysis of trade payables, based on recognition date of trade payables, is as follows:

	2024 RMB'000	2023 RMB'000
0 to 30 days	980	659
31 to 90 days	2	1
91 to 180 days	3	64
	<b>985</b>	<b>724</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 30. CONTRACT LIABILITIES

Disclosures of revenue-related items:

As at	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Contract liabilities	12,751	10,970	8,775
Contract receivables (included in trade receivables)	24,285	29,369	23,831

	2024 RMB'000	2023 RMB'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
– 2024	N/A	10,970
– 2025	12,751	–
	12,751	10,970

Year ended 31 December	2024 RMB'000	2023 RMB'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	10,970	8,775

Significant changes in contract liabilities during the year:

	2024 RMB'000	2023 RMB'000
Increase due to operations in the year	404,808	398,181
Transfer of contract liabilities to revenue	(405,648)	(394,582)
Currency translation differences	2,621	(1,404)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 31. LEASE LIABILITIES

	Lease payments 2024 RMB'000	Lease payments 2023 RMB'000	Present value of lease payments 2024 RMB'000	Present value of lease payments 2023 RMB'000
Within one year	3,843	4,072	3,383	3,569
Over one year but within five years	10,663	9,433	9,559	8,809
	14,506	13,505	12,942	12,378
Less: Future finance charge	(1,564)	(1,127)		
Present value of lease liabilities	12,942	12,378		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(3,383)	(3,569)
			9,559	8,809

At 31 December 2024, the average effective borrowing rate was 5.75% p.a. (2023: 7.9%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 32. DEFERRED TAX

The following are the deferred tax assets recognised by the Group:

	Loss allowance RMB'000	Total RMB'000
At 1 January 2023	672	672
Charge to profit or loss	(135)	(135)
Currency translation differences	7	7
<b>At 31 December 2023 and 1 January 2024</b>	<b>544</b>	<b>544</b>
<b>Charge to profit or loss</b>	<b>(20)</b>	<b>(20)</b>
<b>Currency translation differences</b>	<b>1</b>	<b>1</b>
<b>At 31 December 2024</b>	<b>525</b>	<b>525</b>

At the end of the reporting period, the Group has unused tax losses of RMB263,038,000 (2023: RMB252,970,000) available for offset against future profits. No deferred tax assets has been recognised due to the unpredictability of future profit streams. These tax losses will expire from year 2025 to 2029 (2023: 2024 to 2028).



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 32. DEFERRED TAX (Continued)

The following are the deferred tax liabilities recognised by the Group:

	Changes in fair value gain on digital assets RMB'000	Changes in fair value of investments at fair value through profit or loss RMB'000	Dilution gains on investment in an associate RMB'000	Total RMB'000
At 1 January 2023	–	421	591	1,012
Credit to profit or loss	–	(116)	–	(116)
<b>At 31 December 2023 and 1 January 2024</b>	<b>–</b>	<b>305</b>	<b>591</b>	<b>896</b>
<b>Credit to profit or loss</b>	<b>146,595</b>	<b>(68)</b>	<b>–</b>	<b>146,527</b>
<b>At 31 December 2024</b>	<b>146,595</b>	<b>237</b>	<b>591</b>	<b>147,423</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 33. SHARE CAPITAL

The total authorised share capital of the Company comprises 2,000,000,000 (31 December 2023: 2,000,000,000) ordinary shares with par value of USD0.00005 (2023: USD0.00005) per share.

	Notes	Number of ordinary shares	Nominal value of ordinary shares USD'000	Equivalent nominal value of ordinary shares RMB'000
Issued and fully paid:				
At 1 January 2023		709,876,301	36	232
Cancellation of ordinary shares		(300,000)	–	–
<b>At 31 December 2023 and 1 January 2024</b>		<b>709,576,301</b>	<b>36</b>	<b>232</b>
<b>Issue of new shares</b>	(i)	<b>4,052,429</b>	<b>–</b>	<b>1</b>
<b>Cancellation of ordinary shares</b>	(ii)	<b>(3,445,000)</b>	<b>–</b>	<b>(1)</b>
<b>At 31 December 2024</b>		<b>710,183,730</b>	<b>36</b>	<b>232</b>

Notes:

- (i) During the year ended 31 December 2024, a total of 4,052,429 ordinary shares of the Company were issued upon exercise of the share options of the Company.
- (ii) The Group repurchased 3,445,000 shares (for the year ended 31 December 2023: nil) of its own shares from the market during the year ended 31 December 2024. The total amount paid to acquire the shares was RMB5,110,000 (for the year ended 31 December 2023: nil) and has been deducted from the shareholders' equity. The related weighted average price at the time of buy-back was HK\$1.63 (for the year ended 31 December 2023: nil) per share. Such 3,445,000 repurchased shares have been cancelled as at 31 December 2024. The 300,000 repurchased shares during the year ended 31 December 2022 had been cancelled during the year ended 31 December 2023.

### Capital management

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

The Group monitors capital (including share capital and share premium) by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 RMB'000	2023 RMB'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	402,586	324,044
Equity investments at fair value through other comprehensive income	–	10,454
	402,586	334,498
<b>Current assets</b>		
Prepayments and other receivables	13,608	28,038
Term deposits	–	24,785
Bank and cash balances	564	57,180
	14,172	110,003
<b>Total assets</b>	<b>416,758</b>	<b>444,501</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	232	232
Reserves	413,856	441,183
<b>Total equity</b>	<b>414,088</b>	<b>441,415</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other payables	2,670	3,086
<b>Total liabilities</b>	<b>2,670</b>	<b>3,086</b>
<b>Total equity and liabilities</b>	<b>416,758</b>	<b>444,501</b>
<b>Net current assets</b>	<b>11,502</b>	<b>106,916</b>
<b>Total assets less current liabilities</b>	<b>414,088</b>	<b>441,415</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 35. RESERVES

### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity.

### (b) Company

	Share premium RMB'000	Repurchased shares RMB'000	Shares held for RSU scheme RMB'000	Share- based payments reserve RMB'000	Foreign currency translation reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	373,143	(112)	(14)	82,836	52,433	(49,497)	(53,539)	405,250
Profit for the year	-	-	-	-	-	-	12,687	12,687
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	8,783	-	8,783
Currency translation differences	-	-	-	-	12,702	-	-	12,702
Cancellation of ordinary shares	(112)	112	-	-	-	-	-	-
Share-based payments - value of employee services	-	-	-	1,761	-	-	-	1,761
At 31 December 2023	373,031	-	(14)	84,597	65,135	(40,714)	(40,852)	441,183
At 1 January 2024	373,031	-	(14)	84,597	65,135	(40,714)	(40,852)	441,183
Loss for the year	-	-	-	-	-	-	(8,959)	(8,959)
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	948	-	948
Currency translation differences	-	-	-	-	(4,244)	-	-	(4,244)
Issue of shares upon exercise of share options	16,164	-	-	(4,676)	-	-	-	11,488
Repurchase of ordinary shares (Note 33)	-	(5,110)	-	-	-	-	-	(5,110)
Cancellation of ordinary shares	(5,109)	5,110	-	-	-	-	-	1
Share-based payments - exercise and lapse of share options and RSUs	29,752	-	-	(29,752)	-	-	-	-
- value of employee services	-	-	-	2,552	-	-	-	2,552
- Dividends	(24,002)	-	-	-	-	-	-	(24,002)
At 31 December 2024	389,836	-	(14)	52,721	60,891	(39,766)	(49,811)	413,857





# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 35. RESERVES (Continued)

### (c) *Nature and purpose of reserves of the Group and the Company*

#### (i) *Share premium*

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

#### (iii) *Share-based payments reserve*

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options and unvested RSUs granted to directors and employees of the Group recognised in accordance with the accounting policies adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

#### (iii) *Shares held for the RSU scheme*

The Company adopted the RSU scheme to award shares to qualified grantees. The Core Admin Boyaa RSU Limited was set up as a special vehicle for the purpose of holding the ordinary shares allotted and issued by the Company.

#### (iv) *Statutory reserve*

In accordance with the relevant laws and regulations in the PRC and the Articles of Association of subsidiaries of Shenzhen Dong Fang Bo Ya Technology Co., Limited, it is required to appropriate 10% of the annual statutory net profits after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the share capital, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be converted into share capital, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of share capital.

In addition, in accordance with the Law of the PRC on Enterprises with Foreign Investments and the stipulated provisions in the Articles of Association of Boyaa On-line Game Development (Shenzhen) Co., Limited, appropriation from net profits (after offsetting accumulated losses brought forward from prior years) should be made by Boyaa On-line Game Development (Shenzhen) Co., Limited to its statutory surplus reserve funds. The percentage of net profit to be appropriated to the reserve fund is not less than 10% of the net profit. When the balance of the reserve fund reaches 50% of the registered capital, such transfer needs not be made.



# Notes to the Consolidated Financial Statements

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## 35. RESERVES (Continued)

### (c) *Nature and purpose of reserves of the Group and the Company (Continued)*

#### (v) *Other reserve*

Other reserve mainly comprises cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policies in note 3 to the consolidated financial statements.

#### (vi) *Foreign currency translation reserve*

For the Group, the foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3 to the consolidated financial statements.

## 36. SHARE-BASED PAYMENTS

### (a) *Share options*

On 7 January 2011, the Board of the Company approved the establishment of a share option scheme ("**Pre-IPO Share Option Scheme**") with the objective to recognise and reward the contribution of eligible directors and employees to the growth and development of the Group. The contractual life of all options under Pre-IPO Share Option Scheme is eight years from the grant date.

On 23 October 2013, the Board of the Company approved the establishment of a share option scheme ("**Post-IPO Share Option Scheme**") with the objective to recognise and reward the contribution of eligible directors and employees to the growth and development of the Group. The contractual life of all options under Post-IPO Share Option Scheme is ten years from the grant date.

As at 31 December 2024, both the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were expired. After the expiration of such share option schemes, no further options will be granted but the provisions of such share option schemes shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under such share option schemes, or otherwise to the extent as may be required in accordance with the provisions of such share option schemes.

On 19 April 2024, the shareholders of the Company approved and adopted a new share option scheme (the "**2024 Share Option Scheme**") at the annual general meeting with the objective to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The contractual life of all options under the 2024 Share Option Scheme is ten years from the grant date.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 36. SHARE-BASED PAYMENTS (Continued)

### (a) Share options (Continued)

Details of the share options outstanding during the year are as follows:

	Number of share options	
	2024	2023
Outstanding at the beginning of the year	4,872,429	5,222,429
Exercised during the year	(4,052,429)	–
Lapsed during the year	–	(350,000)
Outstanding at the end of the year	820,000	4,872,429
Exercisable at the end of the year	820,000	4,872,429

The weighted average share price at the date of exercise for share options exercised during the year was HK\$5.59.

Details of the exercise prices and the respective numbers of share options which remained outstanding as at 31 December 2024 and 2023 are as follows:

Expiry date	Exercise price		Number of share options	
	Original currency	Equivalent to HK\$	2024	2023
6 September 2025	HK\$3.108	3.108	820,000	4,872,429

### (b) RSU

On 17 September 2013, the Company set up a RSU scheme (the “**RSU Scheme**”) with the objective to incentivise directors, senior management and employees for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. RSUs held by a participant that are vested may be exercised (in whole or in part) by the participant serving an exercise notice in writing to The Core Trust Company Limited (the “**RSU Trustee**”) and copied to the Company. The RSU Scheme will be valid and effective for a period of eight years from 4 March 2013 to 3 March 2021, commencing from the date of the first grant of the RSUs.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 36. SHARE-BASED PAYMENTS (Continued)

### (b) RSU (Continued)

On 19 July 2021 (the “**Adoption Date**”), the Company has adopted the new RSU scheme (the “**2021 RSU Scheme**”), to incentivise the contributions by, and to attract, motivate and retain, Eligible Persons, for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The 2021 RSU Scheme shall be valid and effective for a period of eight years commencing on the Adoption Date. On 28 March 2024, the Company terminated the 2021 RSU Scheme and adopted a new RSU scheme (the “**2024 RSU Scheme**”) to motivate and contain the contributing staff, senior management, directors (not including INED) and senior staff within the Group. The 2024 RSU Scheme shall be valid and effective for a period of eight years commencing on 28 March 2024. After the termination of the RSU Scheme and 2021 RSU Scheme, the rights and obligations of the grantees and the Company with respect to the RSUs that have been granted or earmarked pursuant to the RSU Scheme and the 2021 RSU Scheme on or before the termination dates as provided (or will be provided) in the relevant grant letters shall survive termination and remain in full force and effect except otherwise provided for in such grant letters.

On 27 August 2021, the Group granted 5,650,000 RSUs under the 2021 RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HKD0.445 per share. The expiry date of the above newly granted RSUs is 26 August 2029. Based on the performance and contributions of the relevant participants, the Board of Directors approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by the relevant participants, resulted in a total of the remaining 571,865 RSUs, which were held by twelve individuals, vested in advance on 4 December 2024.

On 15 April 2022, the Group granted 15,000,000 RSUs under the 2021 RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HKD0.465 per share. The expiry date of the above newly granted RSUs is 14 April 2030. Based on the performance and contributions of the relevant participants, the Board of Directors has approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by the relevant participants, resulted in a total of the remaining 404,169 RSUs, which were held by two individuals, vested in advance on 4 December 2024.

On 19 June 2024, the Group granted 1,900,000 RSUs under the 2024 RSU Scheme to its employees. No vesting period of the RSUs granted. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HKD1.89 per share. The expiry date of the above newly granted RSUs is 18 June 2032.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 36. SHARE-BASED PAYMENTS *(Continued)*

### *(b) RSU (Continued)*

Movements in the number of RSUs outstanding:

	Number of RSUs	
	2024	2023
At 1 January	19,588,089	23,488,089
Granted	1,900,000	–
Lapsed	(4,237,497)	(3,900,000)
Vested and transferred	(15,905,592)	–
At 31 December	1,345,000	19,588,089
Vested but not transferred as at 31 December	1,345,000	8,738,089

The related weighted-average share price at the time when the RSUs were vested and transferred was HK\$2.02 (2023: HK\$nil) per share.

### *(c) Shares held for RSU scheme*

The shares held for RSU scheme were regarded as treasury shares and had been presented as a deduction against shareholders' equity. During the year, 15,905,592 of RSUs were vested and transferred (Note (b) above), and as a result, 41,205,237 ordinary shares (2023: 57,110,829 ordinary shares) of the Company underlying the RSUs were held by Core Administration RSU Limited as at 31 December 2024.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) *Changes in liabilities arising from financing activities*

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Lease liabilities RMB'000	Total liabilities from financing activities RMB'000
At 1 January 2023	16,528	16,528
Changes in cash flows	(4,837)	(4,837)
Non-cash changes		
– Interest charged	687	687
<b>At 31 December 2023 and 1 January 2024</b>	<b>12,378</b>	<b>12,378</b>
<b>Changes in cash flows</b>	<b>(5,590)</b>	<b>(5,590)</b>
<b>Non-cash changes</b>		
– Addition	15,702	15,702
– Termination	(10,626)	(10,626)
– Interest charged	1,078	1,078
<b>At 31 December 2024</b>	<b>12,942</b>	<b>12,942</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 38. RELATED PARTY TRANSACTIONS

- (a) *In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with its related parties during the year:*

	2024 RMB'000	2023 RMB'000
Amount due from a director included in other receivables	817	840
Amount due from a related party included in other receivables	2,003	2,003

The amount due from a director and from a related party are unsecured, interest-free and repayable on demand.

- (b) *Key management personnel compensations*

The compensations paid or payable to key management personnel (including directors, chief executive officer and other senior executives) for employee services are shown below:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and bonuses	2,138	2,519
Retirement benefit scheme contributions	44	74
	2,182	2,593

## 39. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 5 March 2025.