



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



2025  
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. Ma Jingchun (*resigned on 4 August 2025*)  
Mr. Lim Marco Jun Kit (*appointed on 4 August 2025*)

## AUDIT COMMITTEE

Mr. Cheung Ngai Lam (*Chairman*)  
Mr. Choi Hon Keung Simon  
Mr. Ma Jingchun (*resigned on 4 August 2025*)  
Mr. Lim Marco Jun Kit (*appointed on 4 August 2025*)

## NOMINATION COMMITTEE

Mr. Choi Hon Keung Simon (*Chairman*)  
Ms. Tao Ying  
Mr. Ma Jingchun (*resigned on 4 August 2025*)  
Mr. Lim Marco Jun Kit (*appointed on 4 August 2025*)

## REMUNERATION COMMITTEE

Mr. Cheung Ngai Lam (*Chairman*)  
Mr. Choi Hon Keung Simon  
Mr. Ma Jingchun (*resigned on 4 August 2025*)  
Mr. Lim Marco Jun Kit (*appointed on 4 August 2025*)

## 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

***Building the Company into  
a Pure and Leading Web3 Game Ecosystem 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 2025 (the “**Reporting Period**”).

The Group has been deeply involved in the online game industry for over two decades. Leveraging its robust technological infrastructure, efficient data analysis, and localization capabilities, it has built a highly attractive user community and a stable user base. The high degree of synergy between online game and Web3 technology in areas such as community operation and virtual asset attributes provides the Group with a natural advantage in expanding into the Web3 field. In 2023, the Group launched a strategic transformation centered on Web3, deploying strategic Web3 assets and investing in the research and development of Web3 games and infrastructure. We are committed to creating industry-leading Web3 game products, deepening our Web3 ecosystem layout, and promoting the development of the Web3 ecosystem through the deep integration of traditional games and Web3 technology, aiming to become a pure and leading Web3 game ecosystem company.



## Chairman's Statement

Since the implementation of the strategic transformation, while maintaining the stable operation of traditional online games, the Group has continuously deepened its Web3 ecosystem layout, forming a three-in-one business system of "game applications + ecosystem development + value storage". Among them, traditional game business provides stable cash flow support, Web3 ecosystem innovation expands growth space, and the allocation and application of strategic assets such as Bitcoin provide a basic guarantee for the development of Web3 business.

In 2025, the Group's online game business continued its steady growth. In the second half of the year, we sold our mainland China game business and began focusing on the development of our game business in Hong Kong, Macau, Taiwan, and overseas markets. This year, we prioritized business expansion in Europe and the Middle East. In 2025, the Group's revenue from Hong Kong, Macau, Taiwan, and overseas regions increased compared to 2024. Although we divested our mainland China game business this year, our overall online game revenue remained stable. During the year, we successfully hosted the BPT brand series tournament – the 2025 BPT All-Server Online Tournament, attracting approximately 82,800 participants from multiple countries and regions in Europe and Asia. The hosting of the BPT brand tournament further enhanced the Group's international brand influence.

In 2025, the Group continued to increase its R&D investment in Web3 games and ecosystem infrastructure. During the year, the Group continued to provide technical support for the MTT Sports game platform and continuously optimized the already launched YAAKO Wallet game wallet, MTT Network game public chain, and other Web3 ecosystem projects, achieving good operational results. At the same time, the Group continued to advance the development of the Web3 game "Pet Land" and launched the "Boyaa Network" project in the fourth quarter. Pet Land and Boyaa Network are expected to launch in 2026.

In terms of financial performance, the Group recorded revenue of approximately HK\$467.7 million in 2025. Of which, online game revenue was approximately HK\$442.8 million, essentially flat compared to 2024, demonstrating the strong resilience and continued revenue-generating ability of our online game business. In addition, the Group generated approximately HK\$21.7 million in revenue through digital asset appreciation management, adding new growth momentum to the Group's revenue structure. Due to the decline in the price of Bitcoin, the Group recorded a decrease in the fair value of its cryptocurrency holdings for the year ended 31 December 2025, resulting in an unaudited non-IFRS adjusted loss of approximately HK\$192.1 million for the year ended 31 December 2025. Excluding the impact of non-operating one-off factors such as changes in the fair value of financial assets such as digital assets and equity investment partnerships, the Group recorded an unaudited non-IFRS adjusted net profit of approximately HK\$129.1 million for the year ended 31 December 2025, maintaining profitability and demonstrating the Group's solid profitability and sound operating foundation in its core business.

In 2025, the Group successfully placed 59,973,000 shares at HK\$6.95 per share through placing agents, raising net proceeds of approximately HK\$410 million. Of which, approximately HK\$370 million shall be used to introduce strategic assets in Bitcoin to support the Group's Web3 business development.

As of the date of this report, the Group holds approximately 4,092 Bitcoins at an average cost of approximately US\$68,211 per Bitcoin; and approximately 302 Ethereum at an average cost of approximately US\$1,661 per Ethereum, primarily used to support the construction and development of the Group's Web3 ecosystem projects and the development of its Web3 business.



## Chairman's Statement

In 2025, the Group's shares were included in the Bitwise Bitcoin Standard Corporations ETF (stock code: OWNB), an exchange-traded fund (ETF) under the renowned asset management company Bitwise Asset Management. In the August 2025 MSCI index review results, the Company was included in the MSCI Global Small Cap Indexes. At the 2025 Global Business Daily Economic Forum and "Golden Kungpeng" China Financial Value Ranking Awards Ceremony, co-organized by the Global Business Daily Alliance and Hong Kong Commercial Daily, the Company won the "Most Investable Listed Company" award. Furthermore, during the year, the Group also received the "2025 ESG Outstanding Investment Value Listed Company" award jointly presented by Hong Kong Commercial Daily, the Global Business Daily Alliance, and the Economic Herald; and has been awarded the "Top 50 Small-cap Companies" and the "Best Web3 Strategy Practice Award" at the 12th "Top 100 HK-listed Companies", organized by the Top 100 HK-listed Companies Research Centre and jointly presented by FINET, ME and Futu Securities. These honors represent the recognition of our company's long-term strategy and development achievements by the capital market and professional reviewers.

We remain steadfast in our commitment to our founding principles, upholding the philanthropic ethos of "Growing Through Love" while continuously fulfilling our corporate social responsibilities and giving back to society. During the third quarter of 2025, we donated RMB50,000 to YAO Foundation in Beijing to support youth sports initiatives. Furthermore, in the fourth quarter of 2025, we contributed HK\$1 million to Po Leung Kuk Charity Fund for the Disadvantaged – Designated Account for Supporting Residents Affected by the Wang Fuk Court Fire with an aim to aid post-disaster reconstruction in Tai Po, Hong Kong. We hope to contribute to post-disaster rebuilding efforts and stand shoulder to shoulder with our fellow citizens affected by the disaster.

In 2025, the Board of Directors of the Group recommended the declaration of a final dividend of approximately HK\$28,102,000, approximately HK\$0.0366 per ordinary share. The final dividend represents 20% of the Group's net operating profit for 2025. Over the next three years, the Group expects to continue to pay dividends annually at a rate not less than 20% of its net operating profit.

In 2026, the Group will maintain the steady development of its traditional online game business and further deepen its Web3 ecosystem layout. It will increase R&D investment in Web3 game products and infrastructure, creating high-quality card and board games, competitive events, and industry-leading Web3 games and ecosystem products. While consolidating existing markets, we will continue to actively explore emerging overseas markets.

The Group will firmly adhere to its "three-in-one" business model, focusing on the strategic logic of "consolidating the core business, breaking through innovation, and laying the groundwork for the future" innovating while consolidating, and maintaining stability while expanding. We will, as always, strictly abide by the laws and regulations of the jurisdictions in which we operate, striving to become a pure and leading Web3 game ecosystem company. We aspire to build a century-old brand for Boyaa Online Games through every step of our dedicated efforts.

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*

15 March 2026



# Financial Summary

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

	For the year ended 31 December				
	2025 HK\$'000	2024 HK\$'000 (restated)	2023 HK\$'000 (restated)	2022 HK\$'000 (restated)	2021 HK\$'000 (restated)
Revenue	467,667	500,870	437,744	434,940	441,530
Gross profit	328,401	364,111	300,953	284,939	295,384
(Loss)/profit before income tax	(280,250)	1,144,001	140,836	98,745	22,433
(Loss)/profit for the year	(238,626)	968,880	129,997	74,409	(5,265)
Total comprehensive (expenses)/income for the year	(146,687)	911,849	155,030	132,727	(49,619)
(Loss)/profit attributable to owners of the Company	(238,626)	968,880	129,997	74,409	(5,265)
Total comprehensive (expenses)/income attributable to owners of the Company	(146,687)	911,849	155,030	132,727	(49,619)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000 (restated)	2023 HK\$'000 (restated)	2022 HK\$'000 (restated)	2021 HK\$'000 (restated)
<b>Assets</b>					
Non-current assets	233,530	407,815	158,188	323,770	251,451
Current assets	3,120,773	2,792,501	1,970,127	1,676,219	1,736,849
Total assets	3,354,303	3,200,316	2,128,315	1,999,989	1,988,300
<b>Equity and liabilities</b>					
Total equity	2,887,172	2,659,480	1,764,284	1,631,349	1,638,887
Non-current liabilities	102,896	169,525	10,710	14,989	5,612
Current liabilities	364,235	371,311	353,321	353,651	343,801
Total liabilities	467,131	540,836	364,031	368,640	349,413
Total equity and liabilities	3,354,303	3,200,316	2,128,315	1,999,989	1,988,300
Net current assets	2,756,538	2,421,190	1,616,806	1,322,568	1,393,048
Total assets less current liabilities	2,990,068	2,829,005	1,774,994	1,646,338	1,644,499



# Management Discussion and Analysis

## BUSINESS OVERVIEW AND OUTLOOK

### *Review of 2025*

The Web3 industry has been an emerging market with great potential for development. In 2025, 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, regulatory frameworks worldwide have been endeavouring to provide a supportive environment, and thus facilitated the sustainable development of the Web3 industry and the virtual assets market.

In 2025, 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 intensified as the variety of games increases. Game producers have to constantly innovate and expand their game products, leading to the game market full of opportunities and challenges.

Internet game operations exhibit a high degree of alignment with Web3 technology principles. Its emphasis on community-based users and incorporation of virtual asset attributes facilitate the easier and broader application of Web3 technology within internet game. As a global internet game operator with over two decades of specialisation in the sector, the Group leverages robust technological infrastructure, efficient data analytics, and localisation capabilities to continuously innovate game products. This delivers exceptional user experiences, fosters highly engaging communities, and cultivates a steadfast user base. Concurrently, the robust and leading technologies in internet game operations and cybersecurity maintenance, cultivated through years of deep engagement in the internet sector, provide strong support for our business expansion in the Web3 domain.

In 2023, the Group initiated a strategic transformation centred on Web3, commencing the introduction and application of strategic Web3 assets and investing in the research and development of Web3 games and Web3 infrastructure. We aim to combine traditional online game with Web3 technology to innovate and create industry-leading Web3 games, deepen our business footprint within the Web3 ecosystem, and drive the advancement of the Web3 ecosystem.

From 2024 to 2025, the Group maintained steady R&D and operations in traditional online game while actively expanding its Web3 game ecosystem footprint. This included substantial investment in Web3 game and Web3 infrastructure development, incubating Web3-related projects, and introducing our Web3 strategic asset (Bitcoin) while applying it in the Web3 game, the construction of Web3 infrastructure and other relevant projects. This has established the Group's unique "trinity" business framework: "game applications + ecosystem development + value storage". The stable operation of traditional online games has provided robust cash flow support for the Group, while Web3 ecosystem innovation has opened new growth avenues. The Group's Web3 strategic asset Bitcoin introduction and application serve as the foundation and pillar for its Web3 business development, offering fundamental safeguards for this sector.



## Management Discussion and Analysis

In 2025, the Group successfully placed a total of 59,973,000 placing shares through placing agents at a placing price of HK\$6.95 per placing share, generating net proceeds from the placing of approximately HK\$410 million. These proceeds were primarily allocated towards acquiring Bitcoin to further advance the Group's Web3 business development and for general corporate purposes including business operations. For details, please refer to the announcement of the Company dated 12 September 2025.

In terms of financial performance, we recorded revenue of approximately HK\$467.7 million in 2025, comprising online game revenue, digital asset value-added gains, and other revenue. Online game revenue amounted to approximately HK\$442.8 million, maintaining stability compared to 2024. Concurrently, through value-added management of digital assets, we also achieved digital asset value-added gains, adding new impetus to the Group's revenue growth. In 2025, we recorded gains from the value-added of digital assets amounting to approximately HK\$21.7 million, representing a decrease of approximately 61.4% compared to the same period in 2024, the year-on-year decrease in value-added gain from digital assets primarily resulted from (i) a reduction in network validation interest income derived from year-on-year decrease in the Company's holdings of Ethereum, and (ii) a decline in the volume of rewards received in 2025 for cryptocurrencies stored in relevant platform accounts. Concurrently, the calculated amount of value-added gain from digital assets exhibited a year-on-year reduction due to the decrease in price of cryptocurrencies. Owing to the decline in Bitcoin prices, the cryptocurrencies held by the Group recorded a decrease in fair value for the year ended 31 December 2025. Consequently, the Group recorded an unaudited non-IFRS adjusted loss of approximately HK\$192.1 million for the year ended 31 December 2025 as compared to an unaudited non-IFRS adjusted net profit of approximately HK\$971.7 million for the same period in 2024. The change in unaudited non-IFRS adjusted net profit primarily resulted from the Group recording a decrease in the fair value of digital assets of approximately HK\$411.2 million in 2025 as compared to an increase in the fair value of digital assets of approximately HK\$948.0 million in 2024. Excluding the impact of non-operating one-off factors such as changes in the fair value of financial assets including digital assets and equity investments in partnerships, the Group recorded an unaudited non-IFRS adjusted net profit of approximately HK\$129.1 million in 2025, representing a decrease of approximately 37.2% year-on-year. This was primarily attributable to a reduction in gains from the value-added of digital assets compared to the same period in 2024, a decrease in interest income due to reduced bank deposits resulting from the purchase of cryptocurrencies, and an increase in income tax expense of daily operations year-on-year.

The fair value data for the Company's digital assets is based on the market price of cryptocurrencies as at the last day of each calendar quarter. Cryptocurrency prices fluctuate in real time. Consequently, the fair value data for the Company's digital assets may fluctuate in line with real-time cryptocurrency prices. The Company recognises changes in the fair value of digital assets within other gains/(losses). As a result, the profit attributable to owners of the Company is also subject to the impact of the fluctuations in cryptocurrency prices. The Company regards cryptocurrencies (mainly BTC) as Web3 strategic assets. There are no immediate plans to dispose of these holdings, and the Company's online game operations generate robust cash flow. Therefore, cryptocurrency price volatility is regarded to have no impact on the Company's operational cash flows or its underlying business operations. The Company maintain a long-term positive outlook on the sustainable development of the Web3 industry and hold an optimistic stance towards the future development of cryptocurrencies (mainly BTC).



# Management Discussion and Analysis

In terms of business performance, the Group in 2025:

## **I. Online Game Business**

The Group maintained its focus on the development and operation of online card and board game products. Commencing in the second half of 2025, the Group concentrated its game operations on the Hong Kong, Macau, Taiwan, and overseas markets. During 2025, the Group's game revenue from the Hong Kong, Macau, Taiwan and overseas markets increased compared to 2024. Although the Group divested its game operations in Chinese Mainland during the half of 2025, this did not impact our overall online game revenue. The Group's online game revenue remained stable in 2025 compared to 2024. This stability stemmed from the Group's consistent online operational activities during the Reporting Period (such as intensifying festive event operations, planning multi-theme limited-time events to boost user engagement and enhance the value of the in-game item ecosystem, etc.) and continuous optimisation of game products and gameplay (including refining tournament processes, improving participant experiences, introducing spectator features, and enhancing fairness and competitiveness, etc.). In 2025, the Group launched a total of 8 new games across Southeast Asian and European and other regions' markets, all of which are online casual card and board game products.

Regarding game products, as at 31 December 2025, our portfolio comprised 27 online game titles, all of which were online casual card and board games, available in 14 language versions. Throughout 2025, the Group deepened its presence in Hong Kong, Macau, Taiwan and overseas markets while prioritising business expansion in Europe and the Middle East, etc. committed to driving steady growth in online game operations. Within the card and board games and tournament games sector, we remain committed to developing high-quality products, intensifying market research efforts, and focusing on product R&D, gameplay innovation, and content diversification to continually enhance user experience. Through refined and diversified operational strategies, we steadily elevate game quality, actively expand product markets, and further strengthen the competitiveness and influence of the Group's game products in the global market.

Following the disposal of the Group's online game operations in Chinese Mainland on 30 June 2025, the fourth quarter of 2025 no longer included registered users for games operated in Chinese Mainland. Consequently, operational metrics for the fourth quarter of 2025 showed a certain decline compared to the same period in 2024. However, the average revenue per paying user ("**ARPPU**") for the web and mobile versions of the Group's Texas Hold'em, as well as the mobile versions of other card and board games increased. The year-on-year increase in ARPPU for Texas Hold'em on both web and mobile versions was primarily due to an increase in revenue for Texas Hold'em, while the year-on-year increase in ARPPU for other card and board games on mobile version was mainly due to a decrease in the number of paying players. Operational data indicates that the number of paying players in the fourth quarter of 2025 was approximately 90,000, with daily active users ("**DAU**") at around 640,000 and monthly active users ("**MAU**") at approximately 2.72 million.

During the third quarter of 2025, we successfully held the online integrated server sessions of (Boyaa Poker Tour) BPT branded tournament – BPT 2025. The tournament attracted a total of approximately 82,800 participants from multiple countries and regions, including but not limited to Asia and Europe. The hosting of the BPT branded tournament further enhanced our international brand influence, enabling us to continue steadily advancing towards establishing a world-class poker tournament brand.



# Management Discussion and Analysis

## II. **Web3 Game and Related Operations**

During 2025, the Group intensified its investment in R&D for Web3 game and related Web3 ecosystem infrastructure. Within the Web3 domain, the Group continued providing technical support for the MTT Sports game platform while pressing for continuous optimisation and ongoing development of Web3 game and ecosystem initiatives of the Group. These primarily included the YAAKO Wallet (Game Wallet), MTT Network (Game Public Blockchain), and Pet Land. In the fourth quarter of 2025, the Group initiated the research and development of a new project – Boyaa Network (a Web3 game general-purpose public blockchain). Regarding the general-purpose token business based on Web3 game payment scenarios, the Group has not yet been initiated in 2025.

The progress of the Group's Web3 projects, including those under investment, in primary operation, in active development and under planning, is as follows:

### 1. **MTT Sports Game Platform:**

MTT Sports is the first Web3 decentralized online game tournament platform developed by MTT ESports Limited that integrates cryptocurrency assets. The Group invested 100 Bitcoin (BTC) and 4,180,749 Tether USD (USDT) in the platform in September 2024 and February 2025 respectively (representing a total investment value equivalent to approximately US\$10 million), holding a 25% equity stake and 19% MTT token rights. MTT Sports game platform is operated by an independent third party, with the Group providing technical support for the platform and its games, and serving as the primary contributor to its research and development efforts. MTT Sports exhibits significant synergies with the Company's traditional poker game operations and will assume a pivotal role in the Group's future business development.

The game platform launched in October 2024, with registered users steadily increasing post-launch. As at 31 December 2025, the number of cumulative registered users had reached 770,000, and the number of monthly active users had reached 60,000. Users are distributed across 37 countries and regions including Southeast Asia, Europe, and Latin America, etc..

The Company initially deployed 100 BTC as prize funds to attract global participation. During 2025, a total of 52 BTC were utilised for game tournament incentives, with 64% of this incentive fund utilised as at 31 December 2025.

Operators and investors in Web3 games may derive revenue through the value added and sale of their game tokens and in-game NFT assets, or by selling tokens to users or tickets for platform tournaments. As the scale of Web3 games expands and user numbers increase, demand for game tokens will rise accordingly. Tokens held by Web3 game operators and investors will appreciate in value, while operators' revenues from player purchases of tokens and tickets will gradually increase. Presently, the Web3 sector remains in its nascent developmental phase, characterised by relatively high barriers to user participation and adoption. Market education and user base expansion require considerable time, with significant profitability unlikely to materialise within the first three to five years post-launch.

As at 31 December 2025, MTT Sports is still in the promotion stage. The Company has not yet recorded any revenue from this project as the investor.



## Management Discussion and Analysis

### 2. MTT Network (Game Public Blockchain):

MTT Network is a high-performance public blockchain based on Cosmos SDK (An open-source framework for building blockchain applications) and compatible with EVM (A virtual operating environment that enables the execution of smart contracts on the Ethereum network), adopting Tendermint BFT (A consensus protocol engine for computer networks) consensus and IBC (A common language or protocol allowing distinct blockchains to interact and transfer assets) to achieve high security, scalability and cross-chain interoperability, targeting e-sports-level blockchain applications. The MTT Sports described above is supported by the MTT Network where tournament registration, settlement, community governance and token trading are all conducted on-chain, ensuring fairness through transparency and immutability, making MTT Network the infrastructure for reliable on-chain tournament in Web3 game. The dedicated game blockchain tailored to specific Web3 games provides better user experience, aligns closely with game operations, and significantly reduces operational costs for Web3 games. MTT serves as the native token of the MTT Network (Game Public Blockchain), acting as the accounting and economic circulation medium of MMT Sports game platform.

MTT Network launched in the fourth quarter of 2024 and has continuously refined and optimised its performance to ensure the stability, security, and excellent experience of games operating on this chain. It provides reliable on-chain competitive infrastructure for global players and developers of specific Web3 games. The ongoing optimisation of MTT Network has actively promoted the effective development and user growth of the MTT Sports game platform. Since its launch, MTT Network has maintained stable operation, achieving consensus validation for approximately 16 million blocks, with zero downtime incidents and 100% service availability. To date, the network has processed over 51 million transactions (each on-chain game operation, including registrations, payments, and prize distributions, counts as one transaction), deployed approximately 140,000 smart contracts on chain, and registered around 190,000 unique addresses. The network's ecosystem activity continues to rise, with approximately 10,000 active addresses and an average daily transaction volume of around 90,000 recorded as at 31 December 2025. This provides robust support for the steady development of the MTT Sports game ecosystem.

The MTT Network game public blockchain utilizes a Proof-of-Stake (PoS) mechanism. To further enhance the security and stability of the MTT Network, we introduce Bitcoin staking as conducting MTT staking to guarantee the security and healthy development of the MTT Network. As at 31 December 2025, the Group has utilized 1,000 BTC for Blockchain Network Staking.

MTT Network (Game Public Blockchain) launched in the fourth quarter of 2024. It serves as the foundational infrastructure specifically built for MTT Sports game platform. Its current core function is to provide dedicated on-chain support for MTT Sports game platform, ensuring its stable operation and seamless interactions.

In accordance with its current development roadmap, MTT Network will not open its services to third party Web3 games at this stage. During its initial launch phase, the focus will remain on technical refinement and internal ecosystem support. Consequently, the project's primary objective is to complete infrastructure development, with no immediate plans for commercialisation.



## Management Discussion and Analysis

### 3. YAAKO Wallet (Game Wallet):

YAAKO Wallet (Game Wallet) is a Web3 crypto asset wallet developed and designed by the Group specifically for game applications, positioned as a secure, efficient, and user-friendly gateway to Web3 games. Available on iOS and Android, it serves users across 26 countries and regions. The wallet natively supports mainstream networks and tokens such as Bitcoin, ETH, BNB, OP, and ARB, and features a built-in DApp browser and cross-chain bridge functionality for cross-chain asset and information transfers, enabling seamless participation in DeFi, non-fungible token (NFT), and blockchain game ecosystems. YAAKO Wallet will be a “unified asset and identity hub for all Web3 games”, rather than a wallet for a single game. All items, including but not limited to virtual items, avatars, tickets, badges, and various in-game tokens and passes, can be automatically identified across different blockchains, aggregated for display, and managed by category. Users can view, manage, and categorize assets across multiple games in a single interface, reducing switching costs and improving content distribution efficiency. YAAKO Wallet (Game Wallet) serves as a high-frequency traffic hub and growth accelerator within the Group’s Web3 ecosystem.

As YAAKO Wallet (Game Wallet) provides a cross-chain bridge function, meaning that it enables a user to transfer crypto and assets across blockchains by interacting with a bridge protocol, which locks tokens on the source chain and mints wrapped tokens on the destination chain. To facilitate the operations of the Wallet, the Group need to deploy reserves to maintain a liquidity pool of cryptocurrencies on various blockchains. Certain number of BTC will be allocated to the cross-chain bridge liquidity pool, guaranteeing users can deposit cryptocurrencies into one blockchain via the YAAKO Wallet and withdraw it in real-time from another blockchain.

The YAAKO Wallet (Game Wallet) commenced trial operations in the third quarter of 2025 and launched in the fourth quarter of 2025. As at 31 December 2025, it had supported 6 blockchains. In future, the cross-chain bridge of YAAKO Wallet (Game Wallet) will expand to support all major blockchains. As at 31 December 2025, the Group has utilized 500 BTC for deploying cross-chain bridge liquidity pool on the YAAKO Wallet. It is anticipated that approximately 500 additional BTC will be allocated to the cross-chain bridge liquidity pool at an appropriate time in the future, depending on the project’s development and requirements.

YAAKO Wallet, as a digital asset management tool, generates service fees through cross-chain bridge services, value-added subscriptions, and advertising promotions. The generation and growth of these fees depend on the product’s user base and brand recognition.

Currently, the YAAKO Wallet is in its operational infancy. The core strategy focus on market promotion and user incentives which aims to establish a robust user base, laying the groundwork for future growth. The project is not expected to become profitable in the short term.



## Management Discussion and Analysis

#### 4. Pet Land:

Pet Land is a pet-themed social dress-up game developed and designed by the Group that integrates Web3 technology and AI modules. Players create their own unique pet characters to explore and interact around the globe, and engage in diverse fun activities to collect in-game items while freely customizing their pets and homes.

The game's core features include socialising, dress-up, and casual mini-games, while also encompassing NFT creation, exchange, and display. This enables Web2 players to convert in-game assets into on-chain assets, serving as a bridge from the Web2 to the Web3 world. Conversely, Web3 players can integrate their digital assets into our game universe, experiencing virtual pet community building and social entertainment. Players may freely chat, video call, and engage in casual mini-games like darts, flying, and long jump within the game world, while also forging new friendships.

Pet Land further supports the creation and release of digital artworks and music. Moreover, the game features extensive clothing and home decoration items as NFT props, empowering players to build a unique virtual life and express individuality. The game aims to provide Web3 users with an integrated digital ecosystem that combines interaction, creativity, and asset circulation.

The Pet Land project will also be supported by a PoS Mechanism based blockchain network similar to the MTT Network. Similarly, staking of cryptocurrencies will also be expected to ensure dominance in the governance of the blockchain network and to ensure the fairness, transparency, stability and security of the blockchain and game activities.

Following the game's launch, the Group intends to employ extensive game airdrops for promotional activities to enhance gameplay engagement and attract a global user base.

As at 31 December 2025, the game remained in its development and optimisation phase, with an anticipated launch in 2026.

Operators of Web3 games may derive revenue through the added-value of their game tokens and in-game NFT assets, or via users purchasing tokens and items to participate in gameplay, as well as tickets for platform tournaments. As the user base of Web3 games expands and the ecosystem grows, demand for game tokens continues to rise. This will drive up the value of token assets held by operators while simultaneously increasing consumer returns for users. However, given the industry's developmental stage, projects must undergo a period of operational consolidation and user accumulation before achieving significant profitability post-launch.



## Management Discussion and Analysis

### 5. General-purpose Token Business Based on Web3 Games:

Based on the Group's years of accumulated experience and knowledge in the game industry, in-depth study and research into the Web3 sector, and the practical experience gained from MTT Sports and the MTT Network, the Board is of the view that the future of the online game industry will inexorably shift towards the Web3 sector. A Web3 game with millions of users would be difficult to support using existing blockchain infrastructure. Therefore, it is necessary to establish a dedicated blockchain for each product (similar to MTT Network). If each game-built blockchain uses its own issued token for PoS staking and in-game payments, then every game company would need to maintain the credibility of its token and the security of its blockchain network (MTT Network introduced Bitcoin staking precisely to address security issues arising from the high concentration of game tokens). This undoubtedly presents a significant barrier. Thus, the Group plans to launch tokens specifically designed to help game companies enhance the staking security of their blockchain networks and facilitate in-game payments. These tokens can be used for staking across various game-specific blockchains to ensure network security. Game companies can use their own issued tokens to pay rewards, attracting more stakers and enhancing the decentralization and security of their blockchain networks. Additionally, the tokens can serve as a payment method in games, enabling players to make in-game payments.

The Company plans to initiate this project only when it has 5 or more Web3 game projects developed in-house, invested in, or collaborated on. As at 31 December 2025, the project remained in the early planning stage and does not currently meet the conditions for implementation, therefore, it has not yet commenced. Upon launch, the project is expected to utilize a certain amount of BTC for blockchain network staking.

### 6. Boyaa Network (a general-purpose public blockchain for Web3 game)

The Company commenced development of its new project, "Boyaa Network" (a general-purpose public blockchain for Web3 game), in the fourth quarter of 2025.

Boyaa Network will be a high-performance blockchain specifically designed for Web3 games. Its core lies in building a stable and reliable operating environment through ultra-low latency and rapid transaction confirmation, providing game developers with the foundational tools needed to create immersive experiences. Its strengths reside in high performance and ease of use. Fully EVM-compatible and featuring a modular execution engine, Boyaa Network will enable game studios to effortlessly deploy smart contracts. Its robust parallel transaction processing capabilities supports massive in-game operations and complex game economic systems. By eliminating Gas fees or sponsoring user transactions and offering features like account abstraction, Boyaa Network significantly lowers player barriers to entry and makes it easy for players to get started, ensuring smooth gameplay responsiveness. Boyaa Network empowers game developers to create next-generation Web3 games featuring exceptional real-time multiplayer game experiences and interactive economic systems. The project is expected to be launched in mid-2026. Following its launch, it is expected that approximately 500~1000 Bitcoins will be utilize for network staking within the blockchain network to enhance operational assurance and ensure the security and stability of the blockchain.



# Management Discussion and Analysis

## 7. Web3 Industry Investment Projects

In the year 2025, the Group made a second investment of 4,180,749 USDT into the MTT Sports game platform projects; invested US\$300,000 in Web3 fund, Gam3Girl Ventures Fund, which primarily focuses on investing in Web3 games, driving quality content and user growth through thematic investments; invested 100,000 USDT in a Web3 fund, Goldwill Capital Fund I, which primarily focuses on investing in long-term structural value opportunities in Web3+AI.

The Board is of the view that these investment projects in the Web3 industry complemented and supported the development of the Group's Web3 business and further advanced the Group's business expansion and strategic positioning in the Web3 industry. Participation in these funds and investment projects helped the Group to gain closer access to underlying Web3 technologies and emerging applications, provided up-to-date industry data, and enabled earlier and more systematic access to project pipelines and market intelligence, thereby enhancing the Group's Web3 project development capabilities. The Company's participation also created extensive Web3 industry outreach opportunities, expanded collaboration channels with developers and ecosystem partners, and enriched the Group's Web3 game ecosystem. Furthermore, investment in the relevant Web3 data platform increased the Group's exposure and brand recognition within the Web3 ecosystem. These investments will further promote and support the Group's business development and strategic involvement in the Web3 sector.

Based on the Group's experience from investing in the MTT Sports game platform, the Group is of the view that utilizing crypto for future investments in new game projects or relevant projects such as Web3 infrastructure etc. will be an effective strategy. Based on the Company's observations, top-tier Web3 project teams are also increasingly inclined to accept digital asset-based investments in Web3 projects appears to be an emerging industry trend. As a result, the Group may use cryptocurrencies to fund investments in Web3-related projects. The Company will continue to seek opportunities to invest in suitable target companies engaged in Web3 businesses to expand its investment portfolio and to further deepen the Group's commitment to its development within the Web3 industry.



## Management Discussion and Analysis

In summary, Details of the Group’s Web3 games and related business progress, along with the status of application or expected application of Web3 strategic asset deployments, are listed as follows.

Project Name	Website	Current Stage As at 31 December 2025	Release Date/ Estimated Release Date	Bitcoin estimated to be deployed and applied		As at 31 December 2025 Bitcoin had been deployed and applied	
				Estimated Number of Bitcoins	Estimated Time range	Number of Bitcoins deployed and applied	Timeframe for deployed and applied completed
MTT Sports Game Platform (Participate in investment)	https://www.mttsports.com	Post-launch promotion and optimization	4 <sup>th</sup> quarter of 2024	100 in the form of investment (to be used as rewards for games)	Within 2024	100	September 2024
				Equivalent to 43.65 BTC (Invested 4,180,749 USDT, converted at time of investment)	Within 2025	Equivalent to 43.65 BTC	February 2025
MTT Network (Game Public Blockchain)	https://www.mtt.network/	Post-launch optimization	4 <sup>th</sup> quarter of 2024	500-1000 (for blockchain network staking)	Within 2025-2026	1000	4 <sup>th</sup> quarter of 2025
YAAKO Wallet 遊戲錢包	https://yaako.io/	Launched	3 <sup>rd</sup> quarter of 2025	500-1000 (for cross-chain bridge service liquidity pool)	Within 2025-2026	500	4 <sup>th</sup> quarter of 2025
Pet Land 寵物王國	https://www.petland.ai	Under development	Within 2026	100 (as rewards for games)	Within 2026-2027	N/A	N/A
				500-1,000 (for blockchain network staking)			
Boyya Network (New project added in Q4 2025)	-	Development initiated	In Mid-2026	500-1000 (for blockchain network staking)	Within 2026-2027	N/A	N/A
General-purpose Token – Business Based on Web3 Game	-	Planning stage	To be determined (To be initiated upon reaching five or more Web3 game projects (self-developed, invested, or partnered). Currently not feasible.)	N/A	N/A	N/A	N/A
Related Web3 Industry – Fund Investments (Excluding MTT Sports game platform)	-	In progress	-	100-300 (For project investment, excluding 2025 usage.)	Within 2026-2028	Equivalent to 2.81 BTC (Invested 200,000 USDT, converted at time of investment)	As at 31 December 2025



## Management Discussion and Analysis

As at 31 December 2025, the Group's relevant investment projects in the Web3 sector are summarised as follows:

No.	Project/Fund Name	Investment Amount	Nature of Investment	Investment Time	Business of the investment target
1	Bouncebit Ltd (Bouncebit)	100,000 USDT	Tokens	April 2024	focus on Web3 asset management and is building a leading CeDeFi infrastructure and expanding into both crypto-native and real-world assets platforms (RWA)
2	Catcher Data Limited (RootData)	USD100,000	Preferred Shares	April 2024	focus on Web3 asset data platform and Web3 media, and has become an essential data platform for investment decision-making for millions of users
3	Pacific Waterdrip Digital Asset Fund SP I	USD1,000,000	Limited Partner of the Fund	April 2024	mainly focus on sectors such as the metaverse, non-fungible tokens (NFTs), and Web3 infrastructure sector, etc.
4	Awakening Ventures Limited Partnership	USD500,000	Limited Partner of the Fund	April 2024	mainly focus on investments in programmable Bitcoin networks, Web3 games, Easy Smart Earn (ESE) for large scale user onboarding and application layer infrastructure, etc.
5	UTXO Bitcoin Ecosystem Offshore Fund 1 LP	USD1,000,000	Limited Partner of the Fund	July 2024	mainly focus on the emerging Bitcoin ecosystem, covering applications ranging from consumers to institutional-level cases
6	Goldwill Capital Fund I	100,000 USDT	Limited Partner of the Fund	March 2025	mainly focus on investing in long-term structural value opportunities in Web3+AI
7	Gam3Girl Ventures Fund	USD300,000	Limited Partner of the Fund	July 2025	mainly focus on investing in Web3 games, driving high-quality content and user growth through thematic investments
8	MTT ESports Limited	100 BTC and 4,180,749 USDT	Equity and tokens	September 2024 and February 2025	focus on the development and operation of Web3 infrastructure and Web3 games

None of the above investments had a value of 5% or more of the Company's total assets as at 31 December 2025.



## Management Discussion and Analysis

### **III. Web3 Strategic Asset (Cryptocurrencies) Introduction and Application**

The introduction of cryptocurrency assets constitute an indispensable key component in advancing the Group's Web3 business development. Bitcoin, as the Group's core strategic Web3 asset, serves not only as a vital foundation for its Web3 business deployment and ecosystem construction, but also as a pivotal engine ensuring the sustained development of its Web3 games and related operations, thereby facilitating the successful strategic transformation towards Web3. The introduction and application of cryptocurrency (primarily Bitcoin) constitute a vital strategic pillar for the Group's business deployment within the Web3 domain.

In 2025, the Group continued to introduce and apply its strategic Web3 assets, increasing its BTC holdings by 818 units. As at 31 December 2025, the Group held approximately 4,092 BTC at an average cost of approximately US\$68,211 per unit. As at 31 December 2025, the Group held digital assets with a total fair value of approximately HK\$2.92 billion. Additionally, during 2025, the Group realised value-added gains from digital assets amounting to approximately HK\$21.7 million. All cryptocurrency assets held by the Group were acquired through regulated and licensed trading platforms (including but not limited to HashKey Exchange and OSL Exchange) in compliance with public market regulations. Regarding asset safeguarding, the Group appoints compliant, licensed third-party custodians (including but not limited to Coinbase Prime, OSL Exchange, and HashKey Exchange) for asset custody. The Group prudently selects service providers possessing statutory asset segregation mechanisms, with custody arrangements meeting regulatory standards (including but not limited to bankruptcy isolation protection under trust structures, and institutional-grade insurance and compensation arrangements). This ensures the independence of the Group's legal ownership of assets and their security under extreme circumstances.



## Management Discussion and Analysis

Since the Group's Web3 strategic transformation and implementation of its Web3 strategy, the Group has garnered widespread recognition within the capital markets.

In March 2025, the Company's shares were admitted into the Bitwise Bitcoin Standard Corporations ETF (stock code: OOWNB), an exchange traded fund (ETF) of Bitwise Asset Management, a leading crypto asset management company.

In August 2025, following the August 2025 index review by Morgan Stanley Capital International (MSCI), the Company was included as a constituent of the MSCI Global Small Cap Indexes.

In September 2025, the Company was honored with the "Most Valuable Listed Company for Investment" at the 2025 Global Commercial Newspapers Economic Forum and "Golden Kungpeng" China Financial Value Ranking Awards jointly organised by Global Commercial Newspapers Union and Hong Kong Commercial Daily.

In January 2026, the Company was honoured with the "2025 ESG Excellence Investment Value Listed Company" award jointly presented by Hong Kong Commercial Daily, the Global Commercial Newspapers Union and Economic Herald; meanwhile, it has been awarded the "Top 50 Small-cap Companies" and the "Best Web3 Strategy Practice Award" at the 12th "Top 100 HK-listed Companies", organized by the Top 100 HK-listed Companies Research Centre and jointly presented by FINET, ME and Futu Securities.

The conferral of these accolades not only signifies recognition from capital markets and professional juries of our long-term strategic vision and developmental achievements, but also underscores the capital markets' profound affirmation of our corporate value.

We remain steadfast in our commitment to our founding principles, upholding the philanthropic ethos of "Growing Through Love" while continuously fulfilling our corporate social responsibilities and giving back to society. During the third quarter of 2025, we donated RMB50,000 to YAO Foundation in Beijing to support youth sports initiatives. Furthermore, in the fourth quarter of 2025, we contributed HKD1 million to Po Leung Kuk Charity Fund for the Disadvantaged – Designated Account for Supporting Residents Affected by the Wang Fuk Court Fire with an aim to aid post-disaster reconstruction in Tai Po, Hong Kong. We hope to contribute to post-disaster rebuilding efforts and stand shoulder to shoulder with our fellow citizens affected by the disaster.

For the year ended 31 December 2025, the Board resolved to declare a final dividend of approximately HK\$28,102,000 in aggregate, equivalent to approximately HK\$0.0366 per ordinary share. In accordance with the Group's dividend policy, over the next three years, the Group will continue to pay dividends annually amounting to no less than 20% of its net operating profit.



# Management Discussion and Analysis

## Outlook for 2026

The internet game industry will continue to present both opportunities and challenges in 2026. Regarding the emerging Web3 sector, we believe its market scale will maintain growth and steadily mature. The Group remains confident in its future prospects.

In 2026, we shall continue implementing the Group's Web3 transformation strategy while continuously pursuing the following initiatives through learning from our experiences:

- actively deploying Web3 strategy to build the Company into a pure and leading Web3 game ecosystem company;
- further intensifying efforts in the research and development of Web3 game products and increasing investment in Web3 infrastructure development. This includes actively advancing the launch of our self-developed Web3 game product "Pet Land", continuing to enhance the ecosystem of the game public blockchain, optimising its technical architecture and operational efficiency, continuously upgrading the functionality and user experience of Web3 wallets, strengthening the underlying Web3 technology and security capabilities, and persistently refining the features and experience of game products, etc.;
- identifying suitable Web3 ecosystem projects for investment and incubation, further strengthening strategic collaboration and technological synergy with investment projects to advance the Group's business development and strategic positioning within the Web3 sector;
- maintaining steady development of traditional game operations, further enhancing game functionality and infrastructure, continuously enriching game content and gameplay mechanics, refining product quality and diversifying operational approaches, prioritising user experience, and creating premium game products;
- while consolidating existing markets, intensifying efforts to expand overseas markets for card and board games (including Web3 games), such as deepening our engagement in the Asia-Pacific region, and simultaneously advancing into the European and Middle Eastern markets, among others;
- continuously exploring and innovating the operation mode of domestic and overseas game products;
- 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 games.

In 2026, the Company will remain focused on establishing itself as a pure, leading Web3 game ecosystem company. We will maintain steady growth in our traditional online game business, continuously enriching the content and gameplay of our game products while refining our game models. We will meticulously refine product quality and diversify operations to create high-quality card and board game products, tournament games offerings, and industry-leading Web3 game products. Building upon our established market presence, we will actively expand into new overseas markets. Simultaneously, the Group will intensify investments in the construction and R&D of Web3 game products and Web3 ecosystem infrastructure. We will vigorously advance the Group's development and strategic positioning within the Web3 game ecosystem, unlocking new growth opportunities through Web3 ecosystem innovation.



## Management Discussion and Analysis

The Company shall strictly comply with all laws and regulations in the various jurisdictions where it operates. It is committed to creating high-quality card and board game products and industry-leading Web3 game offerings, continuing its journey towards developing a century-old brand for Boyaa online games.

### *Year Ended 31 December 2025 Compared to Year Ended 31 December 2024*

#### **Revenue**

For the year ended 31 December 2025, revenue generated from online games remained stable. At the same time, through value-added management of digital assets, we also generated value-added gain from digital assets, which added new momentum to the growth of the Group's revenue. For the year ended 31 December 2025, our total revenue amounted to approximately HKD467.7 million, representing a decrease of approximately 6.6% from approximately HKD500.9 million (restated) recorded for the same period in 2024. For the year ended 31 December 2025, our online games revenue amounted to approximately HKD442.8 million, remained stable with the same period in 2024. For the year ended 31 December 2025, the value-added gain from digital assets amounted to approximately HKD21.7 million, representing a decrease of approximately 61.4% for the same period in 2024, the year-on-year decrease in value-added gain from digital assets primarily resulted from (i) a reduction in network validation interest income derived from year-on-year decrease in the Company's holdings of Ethereum, and (ii) a decline in the volume of rewards received in 2025 for cryptocurrencies stored in relevant platform accounts. Concurrently, the calculated amount of value-added gain from digital assets exhibited a year-on-year reduction due to the decrease in price of cryptocurrencies. For the year ended 31 December 2025, revenue generated from online games, value-added gain from digital assets and other revenue of approximately HKD442.8 million, HKD21.7 million and HKD 3.2 million accounted for approximately 94.7%, 4.6% and 0.7% of our total revenue, respectively, as compared with approximately 88.8%, 11.2% and 0.0%, respectively, for the year ended 31 December 2024. Other revenue is the revenue from the rent of investment properties.

The Group derives revenue from operating online games. Our online game revenue stems entirely from the sale of virtual tokens and other in-game virtual items. All our online games, whether browser-based or mobile, are free-to-play, with players able to enhance their game experience by opting to purchase virtual tokens and various virtual items we offer. This enables us to rapidly attract new players to experience our games, subsequently nurturing their interest in acquiring virtual tokens and other virtual items. We primarily utilise social networking sites and game portals to promote and distribute our web-based games. Our mobile games are distributed globally and regionally through online app stores, mobile game portals, and pre-installation promotions and/or distribution via mobile manufacturers and retailers. We utilise third-party payment channels (such as APP Store, Google, Facebook, etc.) to collect payments from paying players for the purchase of virtual tokens and other virtual items within our games. We maintain long-standing, positive business relationships with these game promotion and distribution channels, as well as with the third-party payment channels. With over two decades of specialisation in the online game sector, the Group leverages robust technological infrastructure, efficient data analytics and localisation capabilities to drive continuous innovation. We persistently develop and refine our game products, delivering superior user experiences, cultivating engaging user communities and building a steadfast user base. We remain committed to investing in game product R&D, enhancing technology to elevate user experiences, and consistently producing high-quality game offerings. This ensures the stable operation of our traditional online game business.



## Management Discussion and Analysis

Our Group had generated revenue from added value from our digital assets. 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), and acquired certain cryptocurrencies outside the scope of the Acquisition Mandates in 2025 (for details, please refer to the announcements issued by the Company on 25 August 2025, 16 September 2025 and 18 September 2025). The purchase and holding of cryptocurrencies are expected to form an important foundation and strategic step for our Group’s expansion and operation of Web3 games and to strengthen its presence in the Web3 sector, thereby supporting its sustainable 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 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. The value-added gains from digital assets will be affected by a combination of factors including the performance of cryptocurrency markets, relevant platform policies, and price volatility of cryptocurrencies.

In September 2024, the Group successfully acquired an office building known as Svotek Technology R&D Center\* (索泰克技術研發中心), along with its ancillary factory building and certain ancillary facilities (the “**Office Property**”), through a judicial auction process. This office property is currently primarily used for leasing. Through the leasing of this office property, the Company is able to generate rental income. A portion of the floor area will be retained for the Group’s own use, serving as office space for its online game research and development and customer service center.

### **Cost of revenue**

For the year ended 31 December 2025, our cost of revenue amounted to approximately HKD139.3 million, representing a year-on-year increase of approximately 1.8% from approximately HKD136.8 million (restated) recorded for the same period in 2024. The year-on-year increase was primarily due to the increase in digital asset custody fee and property depreciation.

\* For identification purpose only



# Management Discussion and Analysis

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

As a result of the foregoing, for the year ended 31 December 2025, our gross profit amounted to approximately HKD328.4 million, representing a year-on-year decrease of approximately 9.8% from approximately HKD364.1 million (restated) recorded for the same period in 2024. The year-on-year decrease was mainly attributable to the slight decrease in value-added gain from digital asset.

For the years ended 31 December 2025 and 2024, our gross profit margin were approximately 70.2% and 72.7%, respectively.

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

For the year ended 31 December 2025, our selling and marketing expenses amounted to approximately HKD46.4 million, representing a year-on-year increase of 4.4% from approximately HKD44.5 million (restated) recorded for the same period in 2024. The year-on-year increase was mainly attributable to the year-on-year increase in the share-based compensation expenses included in selling and marketing expenses, while the marketing and promotional expenses of online games is representing a year-on-year decrease.

## ***Administrative expenses***

For the year ended 31 December 2025, our administrative expenses amounted to approximately HKD167.3 million, representing a year-on-year increase of 45.9% from approximately HKD114.6 million (restated) recorded for the same period in 2024. The year-on-year increase was mainly attributable to the year-on-year increase in the share-based compensation expenses and professional service expenses included in administrative expenses.

## ***Other (losses)/gains – net***

For the year ended 31 December 2025, we recorded other losses, net of approximately HKD398.1 million, whereas we recorded the other gains, net of approximately HKD922.1 million (restated) for the same period in 2024. The change of position from other gains, net for the year ended 31 December 2024 to the other losses, net for the year ended 31 December 2025, was primarily due to the significant decrease in fair value of digital assets held by the Group, for further details, please refer to the section headed “Digital Assets” in this report. The other (losses)/gains, 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***

For the year ended 31 December 2025, our net finance income was approximately HKD3.2 million, whereas we recorded a net finance income of approximately HKD16.6 million (restated) in 2024. 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 2024, while value-added gains of digital assets were recorded through purchased cryptocurrencies.



# Management Discussion and Analysis

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

For the year ended 31 December 2025, we recorded a share of loss of associates of approximately HKD0.1 million, compared to a share of gain of associates of approximately HKD0.4 million (restated) recorded for the same period in 2024. As at 31 December 2025, we held no investments in associates (31 December 2024: five associates).

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

For the year ended 31 December 2025, our income tax credit was approximately HKD41.6 million, whereas we recorded income tax expenses of approximately HKD175.1 million (restated) for the same period of 2024. The year-on-year change was mainly due to the significant decrease in the fair value of digital assets leading to the increase of deferred income tax credit.

## ***(Loss)/profit attributable to owners of the Company***

As a result of the foregoing, loss attributable to owners of the Company for the year ended 31 December 2025 amounted to approximately HKD238.6 million, whereas we recorded the profit attributable to owners of Company of approximately HKD968.9 million (restated) recorded for the same period of 2024. The change of position from the profit attributable to owners of Company for the year ended 31 December 2024 to the loss attributable to owners of Company for the year ended 31 December 2025, was primarily due to the significant decrease in fair value of digital assets held by the Group. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets including digital assets and equity investment partnerships, the profit attributable to owners of the Company for the year ended 31 December 2025 represented a year-on-year decrease of approximately 59.3%, which was mainly due to (i) the year-on-year decrease in the value-added gains of digital assets; (ii) the decrease in interest income as a result of the decrease in deposits attributable to the purchase of cryptocurrencies; and (iii) the year-on-year increase in the employee compensation and welfare expenses.

## ***Non-IFRS Accounting Standards (“Non-IFRS”) adjusted net (loss)/profit***

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use unaudited non-IFRS adjusted net (loss)/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 (loss)/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 (loss)/profit has material limitations as an analytical tool, as adjusted net (loss)/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.

For the year ended 31 December 2025, our position of unaudited non-IFRS adjusted net loss for the year ended 31 December 2025 of approximately HKD192.1 million was derived from our audited loss for the same period excluding share-based compensation expenses of approximately HKD6.2 million included in selling and marketing expenses, share-based compensation expenses of approximately HKD40.3 million included in administrative expenses, as compared to our position of unaudited non-IFRS adjusted net profit for the year ended 31 December 2024 of approximately HKD971.7 million, which was derived from our audited profit for the same period excluding share-based compensation expenses of approximately HKD2.8 million included in administrative expenses.



# Management Discussion and Analysis

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 2025 represented a year-on-year decrease of approximately 37.2%, which was mainly due to the year-on-year decrease in the value-added gains of digital assets, the decrease in interests income as a result of the decrease in deposits attributable to the purchase of cryptocurrencies and an increase in income tax expense of daily operations.

## ***Fourth Quarter of 2025 Compared to Fourth Quarter of 2024***

### ***Revenue***

For the three months ended 31 December 2025, our revenue amounted to approximately HKD116.6 million, representing a year-on-year decrease of approximately 22.7% from approximately HKD150.8 million (restated) recorded for the same period of 2024. For the three months ended 31 December 2025, our revenue generated from our online games amounted to approximately HKD113.7 million, representing a year-on-year increase of approximately 4.7% for the same period of 2024, as a result of the Group's holding of certain online operational activities during the Reporting Period and continuous optimization of its game products and gameplay. For the three months ended 31 December 2025, the value-added gain from digital assets amounted to approximately HKD1.9 million, representing a decrease of approximately 95.5% for the same period in 2024, the year-on-year decrease in value-added gain from digital assets primarily resulted from (i) a reduction in network validation interest income derived from year-on-year decrease in the Company's holdings of Ethereum, and (ii) a decline in the volume of rewards received in 2025 for cryptocurrencies stored in relevant platform accounts. Concurrently, the calculated amount of value-added gain from digital assets exhibited a year-on-year reduction due to the decrease in price of cryptocurrencies.

For the three months ended 31 December 2025, revenue generated from online games, value-added gain from digital assets and other revenue accounted for approximately 97.6%, 1.6% and 0.8% of our total revenue, respectively, as compared with approximately 72.0%, 28.0% and 0.0%, respectively, for the three months ended 31 December 2024.

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

For the three months ended 31 December 2025, our cost of revenue amounted to approximately HKD34.4 million, representing a year-on-year decrease of approximately 1.8% from approximately HKD35.0 million (restated) recorded for the same period in 2024. The year-on-year decrease was primarily due to the decrease in commission expenses charged by platforms and third party payment vendors.

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

As a result of the foregoing, for the three months ended 31 December 2025, our gross profit amounted to approximately HKD82.2 million, representing a year-on-year decrease of approximately 29.0% from approximately HKD115.8 million (restated) recorded for the same period in 2024. The year-on-year decrease was primarily due to the decrease in the value-added gain from digital assets.

For the three months ended 31 December 2025 and 2024, our gross profit margin were approximately 70.5% and 76.8%, respectively.



# Management Discussion and Analysis

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

For the three months ended 31 December 2025, our selling and marketing expenses amounted to approximately HKD12.1 million, representing a year-on-year decrease of 11.0% from approximately HKD13.6 million (restated) recorded for the same period in 2024. The year-on-year decrease was mainly attributable to the decrease in the expenses incurred for advertising and promotional activities.

## ***Administrative expenses***

For the three months ended 31 December 2025, our administrative expenses amounted to approximately HKD73.0 million, representing a year-on-year increase of 130.9% from approximately HKD31.6 million (restated) recorded for the same period in 2024. The year-on-year increase was mainly attributable to the increase in the share-based compensation expenses and professional service expenses included in administrative expenses compared to the same period in 2024.

## ***Other (losses)/gains – net***

For the three months ended 31 December 2025, we recorded other losses, net of approximately HKD862.7 million, compared to other gains, net of approximately HKD814.8 million (restated) recorded for the same period in 2024. The change of position from other gains, net for the three months ended 31 December 2024 to the other losses, net for the three months ended 31 December 2025, was primarily due to the substantial decrease in fair value of digital assets held by the Group. The other (losses)/gains, 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 for the three months ended 31 December 2025 was approximately HKD0.4 million, whereas we recorded a net finance income of approximately HKD1.8 million (restated) in 2024. 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 2024, while value-added gains of digital assets were recorded through purchased cryptocurrencies.

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

For the three months ended 31 December 2025, we held no investments in associates (31 December 2024: five associates), we recorded a share of gains of associates of approximately HKD0.1 million (restated) recorded for the same period in 2024.



## Management Discussion and Analysis

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

For the three months ended 31 December 2025, our income tax credit was approximately HKD139.9 million, whereas we recorded income tax expense of approximately HKD152.0 million (restated) for the same period of 2024. The year-on-year change was mainly due to the significant decrease in the fair value of digital assets leading to the increase in deferred income tax credit.

### ***(Loss)/profit attributable to owners of the Company***

As a result of the foregoing, our loss attributable to owners of the Company for the three months ended 31 December 2025 amounted to approximately HKD725.4 million, whereas our profit attributable to owners of the Company for the three months ended 31 December 2024 amounted to approximately HKD735.3 million (restated). The change of position from the profit attributable to owners of Company for the three months ended 31 December 2024 to the loss attributable to owners of Company for the three months ended 31 December 2025, was primarily due to a significant decrease in fair value of digital assets held by the Group. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets including digital assets and equity investment partnerships, the profit attributable to owners of the Company for the three months ended 31 December 2025 represented a year-on-year decrease of approximately 113.2%, which was mainly due to (i) the year-on-year decrease in the value-added gains of digital assets; (ii) the decrease in interest income as a result of the decrease in deposits attributable to the purchase of cryptocurrencies; and (iii) the year-on-year increase in the employee compensation and welfare expenses.

### ***Non-IFRS adjusted net (loss)/profit***

For the three months ended 31 December 2025, our unaudited non-IFRS adjusted net loss was approximately HKD695.4 million, which was derived from our unaudited loss of the same period excluding share-based compensation expenses of approximately HKD6.2 million included in selling and marketing expenses, share-based compensation expenses of approximately HKD23.8 million included in administrative expense, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 31 December 2024 of approximately HKD733.5 million (restated), which was derived from our unaudited profit of the same period excluding share-based compensation credit of approximately HKD1.8 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 2025 represented a year-on-year decrease of approximately 67.7%, which was mainly due to the year-on-year decrease in the value-added gains of digital assets and the decrease in interest income as a result of the decrease in deposits attributable to the purchase of cryptocurrencies.



# Management Discussion and Analysis

## **Digital assets**

During the year 2023, the Group commenced the purchase of cryptocurrencies. The introduction and application of cryptocurrencies are essential and indispensable components in driving the Group's Web3 business development. BTC, as the Group's core Web3 strategic asset, not only serves as a vital foundation for the Group's Web3 business deployment and the construction of its Web3 ecosystem, but also acts as a key driver for ensuring the sustainable development of the Group's Web3 games and related businesses, as well as the successful implementation of its Web3 transformation strategy. The adequate and continuous introduction of BTC constitute an important strategic pillar for the Group's business deployment in the Web3 sector.

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 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 conduct acquisitions of cryptocurrencies in an aggregate amount not exceeding US\$100 million in open market transaction. 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.

During August 2025, the Group conducted a series of transactions in the open market to acquire an aggregate of approximately 290 BTC for an aggregate consideration of approximately HKD257 million (equivalent to approximately US\$32.91 million), which constituted a discloseable transaction for the Company. For details, please refer to the announcement published by the Company on 25 August 2025.

On 12 September 2025, the Group had completed the placing of an aggregate of 59,973,000 placing shares to not less than six places who and whose ultimate beneficial owner(s) are Independent Third Parties at a placing price of HKD6.95 per placing share pursuant to a general mandate, and 59,973,000 ordinary shares with aggregate nominal value of US\$2,998.65 were allotted and issued accordingly. The reason for the placing is to further develop the Company's Web3-related business. The net proceeds from the placing (after deduction of placing commission and other expenses of the placing) amount to approximately HKD410 million and accordingly, the net price raised per placing share upon completion of the placing is approximately HK\$6.84 (for further details, please refer to the announcements published by the Company on 21 August 2025, 29 August 2025, 9 September 2025 and 12 September 2025). The market price of the securities concerned on 21 August 2025, being the date on which the terms of the issue were fixed, is HK\$7.92 per share. According to the Group's plan for the use of proceeds from the placing, approximately 90% of the proceeds from the placing (the "**Relevant Placing Proceeds**") will be used to acquire Bitcoins and approximately 10% to be used for the Group's working capital and general corporate purposes. On 18 September 2025, the Group has completed the purchase of Bitcoins using approximately HKD370 million from the Relevant Placing Proceeds. For details, please refer to the announcements published by the Company on 16 September 2025 and 18 September 2025 and the section headed "Cash and Cash Equivalents" in the Management Discussion and Analysis of this annual report.



## Management Discussion and Analysis

As at 31 December 2025, the fair value of digital assets amounted to approximately HKD2,917.7 million (31 December 2024: approximately HKD2,548.6 million (restated)), 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 2025, we recorded fair value losses on digital assets of approximately HKD411.2 million (fair value gains for the year ended 31 December 2024: approximately HKD948.0 million (restated)). The shift from a gain on the fair value of digital assets for the year ended 31 December 2024 to a loss on the fair value of digital assets for the year ending 31 December 2025 primarily resulted from the increase in the fair value of digital assets held by the Group as at 31 December 2024 increased relative to the sum of the fair value of digital assets held by the Group as at 31 December 2023 and the purchase cost of digital assets newly purchased during 2024, whilst the fair value of digital assets held as at 31 December 2025 decreased relative to the sum of the fair value of digital assets as at 31 December 2024 and the purchase cost of newly acquired digital assets during 2025. The aforementioned changes in fair value of digital assets primarily stemmed from fluctuations in the fair value of BTC.

As at 31 December 2025 and the date of this report, the Group held approximately 4,092 units of BTC with an average cost of approximately US\$68,211 per unit and approximately 302 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.

During the year ended 31 December 2025, save as the acquisition mandates of cryptocurrencies and other acquisition of Bitcoins disclosed in the aforementioned paragraphs, each of the other investments made by the Company does not constitute a notifiable transaction or a connected transaction of the Company under the Listing Rules.

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.



## Management Discussion and Analysis

With regard to the BTC held by the Group, security breaches and cyber attacks represent risks of particular concern to us. Should we or our third-party service providers experience a security breach or suffer a cyber attack, resulting in unauthorised third parties gaining access to our BTC holdings, or should our private keys be lost or destroyed, or should other similar circumstances or events occur, we may suffer the loss of some or all of our BTC holdings. This could have a material adverse effect on our financial position and operating results. Furthermore, our principal counterparty risk arises from our performance obligations under custody arrangements with various custodians. We diversify the custody of our BTC across multiple custodians to mitigate potential exposure to any single custodian. Our use of custodians also exposes us to the risk that BTC held on our behalf may be subject to bankruptcy or similar liquidation proceedings, where we may be treated as an unsecured general creditor of the custodian, thereby limiting our ability to exercise ownership rights over the relevant BTC. Any losses arising from such bankruptcy proceedings are unlikely to be covered by any insurance protection we maintain for BTC.

To mitigate the aforementioned risks, the Group holds virtually all its Bitcoin holdings in accounts with institutional-grade custodians that comply with applicable regulatory requirements and possess a strong track record in regulatory compliance and information security. The Group selects custodians that can demonstrate the implementation of stringent security protocols. Our custodial service agreements typically stipulate that private keys controlling our BTC holdings are stored in offline or “cold storage” environments, thereby mitigating risks associated with internet connectivity. Furthermore, we negotiate liability clauses within custodial contracts, ensuring custodians bear responsibility should they fail to safeguard our BTC holdings appropriately. Our custodians have insured both hot and cold wallets to cover losses and mitigate liability risks arising from incidents. Furthermore, the Group policy mandates that private keys are never stored in plaintext at any location. Decryption of private keys requires multi-party cryptographic consensus approval, ensuring no individual can independently control or operate the custodian’s wallet private keys.

**The aforementioned data in relation to the fair value of the digital assets for the year ended 31 December 2025 is recorded based on the market price of the relevant cryptocurrencies as at 31 December 2025. 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.**

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

For the year ended 31 December 2025, we generated sufficient cash through our operating activities and 10% of the net proceeds from the placement of shares completed on 12 September 2025, 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.



# Management Discussion and Analysis

## **Gearing ratio**

As at 31 December 2025, the Group's gearing ratio (total liabilities divided by total assets) was 13.9% (31 December 2024: 16.9%).

## **Term deposits**

As at 31 December 2025, we had term deposits of approximately HKD68.6 million (31 December 2024: approximately HKD226.2 million (restated)), which were mainly denominated in Renminbi ("**RMB**"). The year-on-year decrease in the term deposit balance was primarily attributable to the Group's use of its own cash to purchase BTC. Further details are set out in the Company's announcement dated 25 August 2025. 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 2025 was 2.6%.

## **Cash and cash equivalents**

As at 31 December 2025, we had cash and cash equivalents of approximately HKD62.1 million (31 December 2024: approximately HKD138.7 million (restated)), which primarily consisted of cash at bank, available cash and short-term bank deposits, which were mainly denominated in HKD (as to 34.6%), USD (as to 52.9%) and other currencies (as to 12.5%). 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.

The net proceeds from the placing of shares received by the Company (after deducting placing commission and other expenses relating to the placing) amounted to approximately HKD411.8 million. During the year ended 31 December 2025, we had utilised a total of approximately HKD391.1 million of the net proceeds from the placing for the purposes (consistent with the Company's placing announcement dated 21 August 2025) set out below:

- (a) approximately HKD370.0 million has been utilised for the acquisition of BTC which the proceeds from the placing allocated to further promote the Group's business development on the Web3 sector had been fully utilised as at 31 December 2025; and
- (b) approximately HKD21.1 million has been utilised on research and development activities, management and other general corporate purposes, including but not limited to investments in technological infrastructure and enhancements to the game portfolio.

As at 31 December 2025, approximately HKD20.7 million raised from the placing of shares for general corporate purposes remained unutilised, expected to be utilized by the end of the first quarter of 2026. The unutilised net proceeds have been placed in short-term demand deposits in bank accounts opened by the Group.



# Management Discussion and Analysis

## ***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 2025, we had only one unlisted investment, the fair value of which amounted to approximately nil (31 December 2024: nil). These equity investments at fair value through other comprehensive income mainly consisted of both listed and unlisted equity securities.

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 2025.

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

As at 31 December 2025, we also recorded investments at fair value through profit or loss amounted to approximately HKD97.0 million (31 December 2024: approximately HKD96.4 million (restated)), which consisted of non-quoted investments in equity investment partnerships and fund products. As at 31 December 2025, 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 asset approach; and the fair values of the funds were determined by an independent professional valuer engaged by the Company using market approach. For the year ended 31 December 2025, we recorded fair value losses on investments at fair value through profit or loss of approximately HKD15.2 million (fair value losses for the year ended 31 December 2024: approximately HKD52.5 million (restated)).

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.

We consider that, 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 2025.

## ***Investment properties***

As at 31 December 2025, we also recorded investment properties carrying amount of approximately HKD61.8 million (31 December 2024: approximately HKD63.3 million (restated)), representing less than 5% of the total assets of the Group as at 31 December 2025. 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 2025, 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 2025, 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 2025, our total capital expenditures amounted to approximately HKD46.8 million (for the year ended 31 December 2024: approximately HKD69.5 million (restated)). The capital expenditure mainly included purchasing land and equipment, which was funded by using our cash flows generated from our operations.

## ***Capital Commitments***

As at 31 December 2025, the Group did not has any significant capital commitments.

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

As at 31 December 2025, 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 2025, the Company held cryptocurrencies as digital assets. For details, please refer to the paragraphs headed "Digital Assets".

Information on digital assets held by the Company which had a carrying amount of more than 5% of the total assets of the Company as at 31 December 2025, is as follows:

	Total Investment Costs as at 31 December 2025 (HKD' million)	Unrealised fair value gains accumulated as at 31 December 2025 (HKD' million)	Unrealised fair value (losses) for the year ended 31 December 2025 (HKD' million)	Fair value as at 31 December 2025 (HKD' million)	Size of fair value relative to total assets of the Company as at 31 December 2025
Cryptocurrency					
BTC	2,217	570	(392)	2,787	83.1%

While the Group utilises the Bitcoin for its Web3 game development and not as an investment to generate investment income, these digital assets are regarded as significant investment for the purposes of the Listing Rules.

Save as disclosed above, none of the Company's investments had a carrying amount of more than 5% of the total assets of the Company as at 31 December 2025.



## Management Discussion and Analysis

The cryptocurrencies in which the Group may invest shall be those with substantial market capitalisation, high market liquidity and broad market recognition, primarily including Bitcoin (BTC), Ethereum (ETH), Tether (USDT) and USD Coin (USDC). BTC constitutes the Group's core Web3 strategic asset, and the Group's cryptocurrency acquisitions shall be predominantly focused on BTC.

Additionally, to support the operational requirements of the Group's Web3 business, a small quantity of BNB and ATOM has been acquired. The purchase of such cryptocurrencies is contingent upon the Group's operational needs.

Cryptocurrencies with smaller market capitalisation, relatively lower recognition, and comparatively poorer liquidity – such as those ranked beyond the top 50 by market capitalisation – will not be considered for acquisition by the Group.

In the future, the Group will continue to identify new investment opportunities for business development. 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. Meanwhile, the Group will continue to introduce cryptocurrencies at an appropriate time based on the progress and requirements of the development and operation of the Web3 game ecosystem projects. 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 2025, none of the Group's assets was pledged or charged.

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

As at 31 December 2025, we had a total of 217 employees. In particular, 165 employees are responsible for our game development and operation, 38 for game support and 14 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 in Web3, 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 laws and regulations, we have also made contributions to various mandatory social security funds, for or on behalf of our employees.

No forfeited contributions (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 2025, the total staff costs of the Group (including salaries, bonuses, social insurances, housing provident funds and share incentive schemes) amounted to approximately HKD121.1 million, representing approximately 34.3% 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 5,500,003 shares underlying the RSUs outstanding and/or granted to a total of 38 senior management members and employees of the Group as at 31 December 2025. As at 31 December 2025, 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. On 14 March 2025, the Group granted 200,000 RSUs to Ms. Tao Ying, an executive Director, and 5,650,000 RSUs to its other employees under the 2024 RSU Scheme. The RSUs granted shall be vested within 30 months in 30 equal installments per month starting from the date of grant (i.e. 14 March 2025). On 31 October 2025, the Group granted 50,000 RSUs to Ms. Tao Ying, an executive Director, and 5,150,000 RSUs to its other employees under the 2024 RSU Scheme. The RSUs granted shall be vested within 24 months in 24 equal installments per month starting from 6 months after the date of grant (i.e. 30 April 2026). Based on the performance and contributions of the relevant participants, the Board of Directors approved to waive the vesting period and other vesting conditions for the unvested RSUs held by some of the relevant participants, resulted in a total of 2,126,667 RSUs and 133,333 RSUs granted on 14 March 2025 vested in advance on 14 March 2025 and 30 December 2025 respectively, a total of 5,200,000 RSUs granted on 31 October 2025 vested in advance on 30 December 2025. There were also 28,677,991 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 as at 31 December 2025.

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 our 2025 annual report to be issued in due course.

### ***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;



## Management Discussion and Analysis

- 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. 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 the fair value and value-added gains from cryptocurrencies;
- e. 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 Cybersecurity Law of the People's Republic of China (effective from 1 June 2017, and amended and effective from 1 January 2026) stipulates that network operators must fulfill their cybersecurity protection obligations, take technical measures and other necessary measures to ensure network security and stable operation, and effectively respond to cybersecurity incidents when carrying out business and service activities; (ii) The Personal Information Protection Law of the People's Republic of China (effective from 1 November 2021) stipulates that the processing of personal information must obtain the individual's consent or have other legal basis, and fulfill the obligation of notification; the processing of sensitive personal information requires separate consent and an impact assessment; (iii) The Data Security Law of the People's Republic of China (effective from 1 September 2021) stipulates that processors of important data must designate a data security responsible person and management institution, conduct regular risk assessments, and submit assessment reports to the competent authorities; (iv) the Regulations on Administration of Cyber Data Security (effective from 1 January 2025), which stipulates that data operators which carry out internet data processing activities that affect or may affect national security shall apply for cyber security review according to the relevant regulations of the PRC; (v) 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; (vi) the Administrative Provisions on Algorithm Recommendation of Internet Information Services (effective from 1 March 2022); and (vii) 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, establish comprehensive data security management systems covering the entire process, implement technical and other security measures to safeguard data security, and strengthen risk monitoring, but shall not jeopardized national security and public interests or shall not damage the legitimate rights and interests of others;



## Management Discussion and Analysis

- f. In face of challenges presented by the extensive laws and regulations of various aspects of, among others, online game business in the PRC and overseas markets, Web3 sector and cryptocurrency, 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;
- g. Should we or our third-party service providers experience a security breach or cyberattack resulting in unauthorised third parties gaining access to our Bitcoin, or should our private keys be lost or compromised, or should other similar circumstances or events occur, we may be inflicted with the loss of some or all of our Bitcoin. This could have a material adverse impact on our financial position and operating results;
- h. Bitcoin held on our behalf by custodial institutions may be subject to bankruptcy or similar liquidation proceedings, in which case we may be treated as an unsecured general creditor of such custodian, thereby restricting our ability to exercise ownership rights over the relevant Bitcoin. Any losses arising from such bankruptcy proceedings are unlikely to be covered by any insurance protection maintained by us in respect of the Bitcoins.

The Group has 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 overseas;
- adopt internal procedures to ensure regulatory compliance of applicable laws and regulations of the Group's business operations. The Group's in-house legal department keeps 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 legal advisers, as well as establish and maintain internal compliance policies;
- establish 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;



## Management Discussion and Analysis

- The Group holds virtually all its BTC holdings in accounts with institutional-grade custodians that comply with applicable regulatory requirements and possess a strong track record in regulatory compliance and information security. The Group selects custodians that can demonstrate the implementation of stringent security protocols. Our custodial service agreements typically stipulate that private keys controlling our BTC holdings are stored in offline or 'cold storage' environments, thereby mitigating risks associated with internet connectivity. Furthermore, we negotiate liability clauses within custodial contracts, ensuring custodians bear responsibility should they fail to safeguard our BTC holdings appropriately. Our custodians have insured both hot and cold wallets to cover losses and mitigate liability risks arising from incidents. Furthermore, the Group's policy mandates that private keys are never stored in plaintext at any location. Decryption of private keys requires multi-party cryptographic consensus approval, ensuring no individual can independently control or operate the custodian's wallet private keys; and
- To address potential security vulnerabilities, cyberattacks, loss or destruction of private keys, and other risks, the Group has established and continues to refine a multi-layered, comprehensive digital asset security protection framework to maximise the security of its encrypted assets, this includes, but is not limited to: Strict enforcement of a multi-signature authorisation mechanism, whereby any asset transfer requires joint signature confirmation from multiple authorised personnel, effectively preventing asset loss due to single points of failure or malicious actions by individual actors; Employing hardware security modules compliant with security standards for private key management and signature operations, ensuring private keys remain entirely isolated from the application environment throughout their lifecycle; Conducting rigorous pre-employment background checks for core personnel handling private keys or participating in asset operations and providing them with regular security training sessions, thereby enhancing staff security awareness and operational compliance; The company's cryptocurrency security management department, in conjunction with commissioned third-party professional security agencies, conducts regular vulnerability scans and penetration tests on wallet systems, node servers, and related infrastructure to promptly identify and remediate potential risk points.



# Biographies of the Directors and Senior Management

## DIRECTORS

### Executive Directors

**Mr. Dai Zhikang (戴志康)**, aged 44, 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**”) from January 2008 to July 2025. 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)科技有限責任公司) 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 45, 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 twelve years. She has over fourteen 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 57, 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 Practising 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 65, 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 has served as an honorary advisor of HKAllA since January 2026. 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. Lim Marco Jun Kit (林俊傑)**, aged 45, joined the Board as an independent non-executive Director on 4 August 2025. Mr. Lim was previously a founding partner of MaiCapital Limited (CE Number: BMC948) (“**MaiCapital**”), an asset management company focused on digital asset investments and among the first batch of virtual asset managers licensed by the Securities and Futures Commission under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), holding Type 4 (advising on securities) and Type 9 (asset management) licenses. Before joining MaiCapital, Mr. Lim worked at The Goldman Sachs Group, Inc. From September 2012 to March 2018, where he used to serve as an Executive Director in the Fixed Income, Currencies, and Commodities (FICC) division, responsible for sales and trading operations for institutional clients in Asia. Mr. Lim worked at Solomon JFZ (Asia) Holdings Limited from September 2024 to December 2025, and had served as its responsible officer holding Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) licences under the SFO from June 2025 to December 2025. Mr. Lim is currently Managing Director at Huatai Financial Holdings Hong Kong Limited. Mr. Lim has more than 20 years of experience in financial markets, covering various asset classes including digital assets, bonds, foreign exchange, derivatives and commodities. Actively engaged in public service and industry affairs, Mr. Lim has been a member of the Task Force on Promoting Web3 Development of the Government of Hong Kong Special Administrative Region since July 2025, a member of the Hong Kong Digital Asset Society Executive Committee since January 2024. Mr. Lim has been a part-time lecturer for CPT/CPD/OPT public courses at the Hong Kong Securities and Investment Institute since March 2021, and is currently a part-time lecturer at the School of Professional and Continuing Education, The University of Hong Kong, a mentor for the Mentorship Program of the School of Business, Hong Kong Baptist University, and a mentor for the Cyberport Mentorship Services. Mr. Lim graduated from Western University (formerly known as The University of Western Ontario) in Canada in September 2003 and obtained a bachelor’s degree of Administrative and Commercial Studies in Finance/Administration and Economics.

\* 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 2025.

### 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 game ecosystem.

### 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 2025 and up to the date of this annual report.

A detailed analysis of the business performance of the Group for 2025 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 2025 (unaudited)	31 December 2024 (unaudited) (Restated)	Year-on-Year Change* %
Paying Players (in thousands)	91	201	(54.7)
• Web-based games	2	2	–
• Mobile games	89	199	(55.3)
DAUs (in thousands)**	639	1,201	(46.8)
• Web-based games	54	128	(57.8)
• Mobile games	585	1,073	(45.5)
MAUs (in thousands)**	2,719	4,151	(34.5)
• Web-based games	404	301	34.2
• Mobile games	2,315	3,850	(39.9)
ARPPU of Texas Hold'em (in HKD)			
• Web-based games	5,216.0	4,865.5	7.2
• Mobile games	418.9	250.6	67.2
ARPPU of Other Card and Board (in HKD)***			
• Web-based games	–	–	–
• Mobile games	231.3	84.1	175.0



## 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**

For the principal risks and uncertainties that the Group faces in its operations and the measures adopted by the Group to mitigate such risks, please refer to the section headed "Principal Risks and Uncertainties" in the "Management Discussion and Analysis" of this annual report. 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.



## Directors' Report

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 2025, 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 2025, 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.

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.



## Directors' Report

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 (2024 Revised) published and came into effect by the National People's Congress Standing Committee (the "NPCSC") on 26 April 2024, the Ministry of Education Office 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 (2025 Revised) promulgated by the NPCSC on 28 October 2025 and came into effect on 1 January 2026, the Notice on App Security Certification jointly issued by the OCCAC and the SAMR on 13 March 2019 and the Implementation Rules on Security Certification of Mobile Internet Application issued by China Cybersecurity Review and Certification and Market Regulation Big Data Centre on 31 January 2024, 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 2025, the Group had a total of 217 employees. In particular, 165 employees are responsible for game development and operation, 38 are responsible for game support, and 14 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 Web3, 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 2025, the Group used 105 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 2025, 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 2025 and the Company's and the Group's financial positions as at that date are set out in the consolidated financial statements on pages 154 to 232.

## DIVIDEND

The Board recommends a final dividend of HK\$0.0366 per ordinary share for the year ended 31 December 2025 (the "**2025 Final Dividend**") (the year ended 31 December 2024: HK\$0.1064 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 for the year ended 31 December 2025. The expected payment date of the 2025 Final Dividend is 5 June 2026. Further announcement containing the information in relation to the book closure period for receiving the 2025 Final Dividend will be published by the Company in due course.

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

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 three 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.

## RESERVES

Changes to the reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity. Changes to the reserves of the Company during the year ended 31 December 2025 are set out in Note 36 to the consolidated financial statements.



# Directors' Report

## **PROPERTY, PLANT AND EQUIPMENT**

Changes to the property, plant and equipment of the Group during the year ended 31 December 2025 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 34 and Note 37 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 2025 are set out in Note 21 to the consolidated financial statements.



## Directors' 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 2025.

### DONATIONS

Donations made by the Group during the year ended 31 December 2025 amounted to HK\$1,054,628 (2024: HK\$56,535 (restated)).

### 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 2025, the Company repurchased 2,972,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$10,916,260 as treasury Shares pursuant to the share repurchase mandate approved by the shareholders of the Company at the annual general meeting held on 23 May 2025. Details of the repurchases are summarised as follows:

Date of repurchase	Price per share		Number of Ordinary Shares of USD0.00005 Each	Total consideration HK\$
	Highest HK\$	Lowest HK\$		
24-November-2025	3.80	3.77	200,000	757,640
25-November-2025	3.88	3.87	200,000	775,340
26-November-2025	3.92	3.89	200,000	782,030
01-December-2025	3.80	3.75	200,000	757,590
02-December-2025	3.85	3.84	199,000	766,100
04-December-2025	3.99	3.97	200,000	797,470
11-December-2025	3.60	3.59	100,000	359,060
12-December-2025	3.72	3.70	200,000	742,750
15-December-2025	3.59	3.57	200,000	715,380
16-December-2025	3.44	3.42	200,000	685,910
17-December-2025	3.53	3.47	200,000	701,870
18-December-2025	3.50	3.50	200,000	700,000
19-December-2025	3.54	3.49	200,000	703,080
22-December-2025	3.62	3.58	200,000	723,100
23-December-2025	3.48	3.47	163,000	566,140
29-December-2025	3.57	3.57	50,000	178,500
30-December-2025	3.41	3.39	60,000	204,300
<b>Total:</b>			<b>2,972,000</b>	<b>10,916,260</b>



## Directors' Report

All the aforementioned repurchased 2,972,000 shares of the Company have been held as treasury Shares. The total amount paid on repurchases has been deducted from the shareholder's equity. 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. Save 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 2025.

As at 31 December 2025, the Company holds 2,972,000 treasury shares.

### 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 2025, the remaining life of the Post-IPO Share Option Scheme in respect of outstanding options had expired.

The purpose of the Post-IPO Share Option Scheme is to incentivise and reward the employees (whether full time or part-time) or directors of members of the Group or associated companies of the Company (the "**Eligible Person(s)**") for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. Pursuant to the 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 is nil, representing 0% 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 2025 and 31 December 2025. 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 2025 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 2025" 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 37 to the consolidated financial statements.

During the year ended 31 December 2025, 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 2025, 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 2025, 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 9.24% 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 2025 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 2025. As at 1 January and 31 December 2025, there are 70,957,630 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 2025, 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 2025 – (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-script 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 2025, the remaining life of the 2024 RSU Scheme is six 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 28,677,991 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 2,300,100 shares of RSUs were granted but remain unvested under the 2024 RSU Scheme, representing 3.74% and 0.3% of the total issued shares (excluding treasury shares) of the Company as at the date of this annual report, respectively.

As at 31 December 2025, an aggregate of 33,949,661 Shares were held by the RSU Trustee, representing approximately 4.42% of the total issued shares (excluding treasury shares) of the Company as at the date of this annual report. As at 31 December 2025, RSUs in respect of an aggregate of 5,500,003 Shares, representing approximately 0.72% of the total issued shares (excluding treasury shares) of the Company as at the date of this annual report, had been granted to 38 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 37 to the consolidated financial statements.

As at 1 January and 31 December 2025, no RSU could be granted under the 2013 RSU Scheme and 2021 RSU Scheme, and there were 39,644,660 and 28,677,991 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 during the year ended 31 December 2025, 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 2025 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 2025" 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 2025

Name of option holder/ Grantees of RSU	Number of shares represented by options or RSUs at 1 January 2025 (Unexercised)	Nature	Date of grant	Granted during the year	Exercise/purchase price	Weighted average closing price of shares immediately before the dates on which the options or RSUs were exercised	Exercised during the year	Cancelled during the year	Lapsed during the year	Number of shares represented by options or RSUs at 31 December 2025 (Unexercised)
Ms. Tao Ying (Executive Director and acting chief executive officer of the Company)	150,000	RSUs granted under	19 June 2024 <sup>(2)</sup>	-	-	-	-	-	-	150,000
	-	2024 RSU Scheme <sup>(5)</sup>	14 March 2025 <sup>(3)</sup>	200,000	-	-	-	-	-	200,000
	-		31 October 2025 <sup>(4)</sup>	50,000	-	-	-	-	-	50,000
<b>Sub-total</b>	<b>150,000</b>			250,000			-	-	-	400,000
Employees and previous employees of the Group	820,000	Post-IPO Share Option Scheme	7 September 2015	-	HK\$3.108	HK\$6.25	820,000	-	-	-
Employees and previous employees of the Group <sup>(1)</sup>	770,000	RSUs granted under	27 August 2021 <sup>(2)</sup>	-	-	-	144,500	-	-	625,500
	187,500	2021 RSU Scheme	15 April 2022 <sup>(2)</sup>	-	-	-	187,500	-	-	-
Employees of the Group <sup>(1)</sup>	237,500	RSUs granted under	19 June 2024 <sup>(2)</sup>	-	-	-	20,000	-	-	217,500
	-	2024 RSU Scheme <sup>(5)</sup>	14 March 2025 <sup>(3)</sup>	5,650,000	-	-	2,742,997	-	-	2,907,003
	-		31 October 2025 <sup>(4)</sup>	5,150,000	-	-	3,800,000	-	-	1,350,000
<b>Sub-total</b>	<b>2,015,000</b>			10,800,000			7,714,997	-	-	5,100,003
Total	820,000	Post-IPO Share Option Scheme	7 September 2015	-	HK\$3.108	HK\$6.25	820,000	-	-	-
	770,000	RSUs granted under	27 August 2021 <sup>(2)</sup>	-	-	-	144,500	-	-	625,500
	187,500	2021 RSU Scheme	15 April 2022 <sup>(2)</sup>	-	-	-	187,500	-	-	-
	387,500	RSUs granted under	19 June 2024 <sup>(2)</sup>	-	-	-	20,000	-	-	367,500
	-	2024 RSU Scheme <sup>(5)</sup>	14 March 2025 <sup>(3)</sup>	5,850,000	-	-	2,742,997	-	-	3,107,003
<b>Total</b>	<b>2,165,000</b>			11,050,000			7,714,997	-	-	5,500,003



## Directors' Report

Notes:

- (1) As at 1 January 2025, none of unvested RSUs granted to the five highest paid individuals of the Company for the year ended 31 December 2025 (the "**Five Highest Paid Individuals**") in aggregate (including no Director). During the year ended 31 December 2025, 2,350,000 RSUs were granted to the Five Highest Paid Individuals, including 1,100,000 RSUs granted on 14 March 2025 under the 2024 RSU Scheme and 1,250,000 RSUs granted on 31 October 2025 under the 2024 RSU Scheme, and none of unvested RSUs granted to the Five Highest Paid Individuals had been cancelled or had lapsed. For the year ended 31 December 2025, 1,616,640 RSUs granted to the Five Highest Paid Individuals had vested (including 366,640 RSUs granted on 14 March 2025 under the 2024 RSU Scheme and 1,250,000 RSUs granted on 31 October 2025 under the 2024 RSU Scheme). As at 31 December 2025, 733,360 RSUs granted to the Five Highest Paid Individuals on 14 March 2025 under the 2024 RSU Scheme remained unvested. For purchase prices and the closing prices of the shares immediately before the date on which the RSUs were granted, please refer to the notes (3) and (4) below.
- (2) As at 1 January 2025, all RSUs granted on 27 August 2021, 15 April 2022 and 19 June 2024 have been vested.
- (3) On 14 March 2025, 200,000 RSUs and 5,650,000 RSUs were granted to Ms. Tao Ying, and other employees of the Group under the 2024 RSU Scheme, respectively, with no purchase price and the closing price of the shares immediately before the date on which the RSUs were granted being HK\$3.97 per share. During the year ended 31 December 2025, 66,660 RSUs granted to Ms. Tao Ying and 3,483,240 RSUs granted to other employees of the Group on 14 March 2025 have vested, and none of the RSUs granted on 14 March 2025 had lapsed or had been cancelled. The weighted average closing price of the shares immediately before the dates on which the RSUs were vested is HK\$4.55 per share. As at 31 December 2025, 133,340 RSUs granted to Ms. Tao Ying and 2,166,760 RSUs granted to other employees of the Group on 14 March 2025 remain unvested. 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 HK\$3.88 per share. For details, please refer to Note 37 of the Notes to the Consolidated Financial Statements of this report.
- (4) On 31 October 2025, 50,000 RSUs and 5,150,000 RSUs were granted to Ms. Tao Ying, and other employees of the Group under the 2024 RSU Scheme, respectively, with no purchase price and the closing price of the shares immediately before the date on which the RSUs were granted being HK\$5.4 per share. During the year ended 31 December 2025, all the RSUs granted on 31 October 2025 have been vested, and none of the RSUs granted on 31 October 2025 had lapsed or had been cancelled. The weighted average closing price of the shares immediately before the dates on which the RSUs were vested is HK\$3.54 per share. As at 31 December 2025, none of the RSUs granted on 31 October 2025 remained unvested. 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 HK\$5.37 per share. For details, please refer to Note 37 of the Notes to the Consolidated Financial Statements of this report.



## 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.

The RSUs granted on 14 March 2025 under the 2024 RSU Scheme shall be vested within 30 months in 30 equal installments per month starting from the date of grant (i.e. 14 March 2025). Based on the performance and contributions of the relevant participants, the Group approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by some relevant participants, resulted in a total of 2,126,667 RSU and 133,333 RSU, vested in advance on 14 March 2025 and 30 December 2025, respectively. The expiry date of the RSUs granted on 14 March 2025 is 13 March 2033.

The RSUs granted on 31 October 2025 under the 2024 RSU Scheme shall be vested within 24 months in 24 equal installments per month starting from 6 months after the date of grant (i.e. 30 April 2026). Based on the performance and contributions of the relevant participants, the Group approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by all relevant participants, resulted in a total of 5,200,000 RSU, vested in advance on 30 December 2025. The expiry date of the RSUs granted on 31 October 2025 is 30 October 2033.

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.



# Directors' Report

## INVESTMENT POLICY, RISK MANAGEMENT AND GOVERNANCE

### *Investment Policies, Objectives and the Scope of Permissible/prohibited Investments*

The principal investments of the Company comprise five categories: (i) cryptocurrency assets; (ii) investments in Web3 ecosystem projects and related funds; (iii) wealth management products; (iv) properties; and (v) traditional limited partnership and equity investments. The investment policies and objectives, as well as the permissible and prohibited investments of the Company, are set out as follows:

#### **(i). Cryptocurrency Assets**

##### **Investment Policy**

In terms of cryptocurrency selection, pursuant to the Company's relevant policies, the cryptocurrencies to be acquired by the Company must possess a relatively large market capitalization, high market liquidity, and broad market recognition. Such cryptocurrencies must also be assessed by the Board and the Investment Project Management Committee (comprising the relevant responsible staff of the Finance Department, Legal Department, the Office of the General Manager, Internal Audit Department and Compliance Department) to have long-term holding value.

The Company has formulated and implemented the Virtual Asset Management Measures and the Operational Rules on Virtual Asset Security Management (collectively, the "**Virtual Asset Management Policies**"). These policies set out the fundamental principles for the management of virtual assets (i.e., cryptocurrencies), as well as the procedures and requirements governing virtual asset trading management and approval, storage and custody of virtual assets, and cybersecurity and equipment management. The Company's management of virtual assets adheres to the principles of legality and regulatory compliance, security, and risk control.

##### **Investment objective and purpose**

The Company holds cryptocurrencies primarily to support the Web3 business development and Web3 project operations, among which, BTC is regarded as a core strategic asset of the Company's Web3 business, and the Company will continue introducing its BTC reserves and maintaining a long-term holding position. In addition, the Company also holds a small amount of other cryptocurrencies, including USDT, ETH, BNB and ATOM, which will mainly be used for the day-to-day operational needs of the Company's Web3 business. The acquisition and holding of such crypto assets constitute a fundamental component of the Company's Web3 strategic deployment, and should not be regarded as investments of a conventional nature. For further details, please refer to the Company's announcement dated 9 September 2025 regarding further information on the Group's Web3 business and the placing of new shares under general mandate.



## Directors' Report

### Permissible and prohibited investments

#### *Permissible:*

Cryptocurrencies that has a large market capitalization with good market liquidity and widespread market acceptance mainly include BTC, ETH, USDT, and USDC; BTC is the Company's core Web3 strategic asset, and therefore BTC will be the Group's primary asset. Other permissible crypto assets includes those cryptocurrencies that support the Group's Web3 operation, mainly including BNB and ATOM.

#### *Prohibited:*

Cryptocurrencies with smaller market capitalization, lower recognition, and poorer liquidity; the Group does not consider investing in cryptocurrencies ranked below the top 50 in terms of market capitalization.

### (ii). Investments in Web3 Ecosystem Projects and Related Funds

#### Investment Policy

The Group has allocated a portion of its cryptocurrency holdings as an incubation fund for future Web3 projects, and will consider factors such as the relevant projects' regulatory compliance, market potential, sector growth prospects, economic model, technological innovation, technical feasibility, alignment and complementarity with the Group's deployment in Web3 sector, as well as the project teams' industry experience, technical capabilities and project delivery capacity, aiming to identify and invest in high-quality Web3 ecosystem projects and Web3-related funds.

#### Investment objective and purpose

Investments in Web3 ecosystem projects and related funds are intended to complement and support the development of the Company's Web3 business, thereby further advancing the Company's business expansion and strategic deployment in the Web3 sector and enabling the Company to seize the industry growth opportunities. For further details, please refer to the Company's announcement dated 9 September 2025 regarding further information on the Group's Web3 business and the placing of new shares under general mandate.



## Directors' Report

### **Permissible and prohibited investments**

#### *Permissible:*

The Company primarily focused on businesses related or complementary to the Company's long-term development strategy, such as Web3 ecosystem-related businesses, software and information technology in artificial intelligence, online game related businesses, etc.. The investment aims to supplement and support the Company's business development to further promote the Group's business development and layout. All proposed investment projects must undergo due diligence, assessment by the investment project management committee, and completion of compliance approval procedures before proceeding.

#### *Prohibited:*

Projects unrelated to the Company's business domain, those that have not undergone due diligence or analysis by the investment project management committee, projects with poor development prospects, and projects not managed by compliance procedures for management and board approval.

### **(iii). Wealth Management Products**

#### **Investment Policy**

The Company utilises its idle cash reserves to select and purchase wealth management products with high liquidity, short maturity periods, principal guarantee or relatively low risk levels.

The management of the Company's investments in wealth management products is conducted in accordance with the Corporate Investment Management Measures (the "**Investment Management Measures**") and the Funds and Wealth Management Regulations formulated and implemented by the Company.

#### **Investment objective and purpose**

To enhance the efficiency of fund utilisation and the return on capital



## Directors' Report

### **Permissible and prohibited investments**

#### *Permissible:*

Investments are limited to investment with guaranteed principal or very low-risk financial products, primarily bank wealth Management Products (mainly those issued by state-owned banks). This includes fixed-term bank deposits, notice deposits, short-term bank deposits, and other daily redeemable wealth Management Products issued by banks. For products other than fixed-term deposits, the investment term must not exceed one year.

The Company will prioritize state-owned bank financial products. All proposed investment products must first undergo risk assessment by the investment project management team (to ensure they are principal-protected or very low risk) and due diligence on the issuing bank (focusing on larger banks with state ownership, good reputation) before completing relevant approval procedures for purchase.

#### *Prohibited:*

Wealth Management Products from small non-state-owned banks or those with poor reputations, P2P platform-issued financial products, and other high-risk wealth management products issued by non-bank institutions. Products that have not been assessed and approved by the Company's investment project management team and products from banks and institutions that have not undergone due diligence are also prohibited.

### **(iv). Properties**

#### **Investment Policy**

The Company acquired relevant properties, including an office building known as Svotek Technology R&D Center, its ancillary factory building and certain ancillary facilities, through judicial auction process in the year 2024. Save for the aforementioned properties, as at the date of this annual report, the Company does not have any other systematic plan or policy for further property investment.

#### **Investment objective and purpose**

To reduce business operating costs and diversify the Group's revenue streams through rental income.



## Directors' Report

### **Permissible and prohibited investments**

#### *Permissible:*

Investment is limited to properties necessary for the Company's business operations and expansion, primarily for office spaces related to business operations and new business development, aimed at reducing operational costs.

#### *Prohibited:*

Properties unrelated to the Company's business operations, those intended for real estate speculation, and properties priced unreasonably high.

### **(v). Traditional Limited Partnership and Equity Investments**

#### **Investment Policy**

The Company's traditional limited partnership interests and equity investments were primarily made prior to 2016. The decision-making and management of such traditional limited partnership and equity investments are conducted in accordance with the Investment Management Measures of the Company.

#### **Investment objective and purpose**

The Company's traditional limited partnership and equity investments were primarily undertaken with the objective of acquiring, exploring and pursuing new investment and collaboration opportunities in businesses that are relevant to or complementary with the Company's long-term corporate strategy, with a view to further advancing the Company's business development while balancing investment risks and returns.

#### **Permissible and prohibited investments**

Please refer to the disclosure for Investments in Web3 Ecosystem Projects and Related Funds above.

### ***Investment Risk Management and Control Measures***

#### **(i). Cryptocurrency Assets and Investments**

The Company's holding of cryptocurrencies should not be regarded as a conventional investment activity. Such holdings are primarily maintained for the operation of the Company's business related to Web3 game ecosystem and to support the Group's Web3 business deployment and long-term development. Accordingly, the Company will hold cryptocurrencies on a long-term basis, and currently has no plan for disposal pursuant to the policies of the Company.

Pursuant to the Virtual Asset Management Policies, the Group will purchase cryptocurrencies through the open market on regulated and duly licensed trading platforms. The cryptocurrencies to be acquired by the Company must possess a relatively large market capitalization, high market liquidity, and broad market recognition. Such cryptocurrencies must also be assessed by the Board and the Investment Project Management Committee to have long-term holding value. The Company prohibits investment in any type of cryptocurrency that has not been assessed and approved by the Board and the Investment Project Management Committee.



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The Company has assigned dedicated personnel to carry out real-time monitoring of the cryptocurrency market and trading conditions, and to prepare regular monitoring and analysis reports. In the event of any significant or abnormal decline in the prices of cryptocurrencies purchased or proposed to be purchased, or any other abnormal circumstances or emerging risks in the cryptocurrency market, such matters shall be promptly reported to the Investment Project Management Committee and the Board, and adjustments to the Company's cryptocurrency purchase plan and strategy shall be made as appropriate.

Each proposed cryptocurrency transaction of the Company will be reviewed by the Securities Compliance Department of the Company, which shall conduct the relevant size tests pursuant to the applicable requirements under the Listing Rules. Depending on the results of size tests, transactions reaching the thresholds that require disclosure and/or shareholders' approval shall complete the corresponding procedures, which may include obtaining Board approval, publishing the necessary announcements and/or obtaining shareholders' approval, as appropriate.

**Defined risk limits:**

In the event that the market price of any cryptocurrency purchased by the Company falls by more than 90% from its acquisition cost, and the VA Department, the Investment Project Management Committee and the Board, having assessed the situation based on ongoing monitoring, consider that the holding risk has become significant and that continued holding is no longer appropriate, the Company shall make reasonable and appropriate arrangements to dispose of the relevant cryptocurrency. The Company has professional personnel who monitor the market daily and report to management and the Board of Directors regularly. In practice, the Company's investment project management team will communicate and discuss the cryptocurrency market situation at least monthly and report to the Audit Committee and the Board of Directors at least quarterly regarding the Company's cryptocurrency purchases.

**Counterparty risk:**

The Group will purchase cryptocurrencies in the open market exclusively through regulated and duly licensed trading platforms. All relevant personnel are required to strictly adhere to the Operational Rules on Virtual Asset Security Management in carrying out such transactions.

**Liquidity management:**

The revenue derived from the Group's traditional online game business is sufficient to meet its day-to-day operating expenses and still maintains a surplus cash balance. Therefore, the Group has no present intention to dispose of its cryptocurrency assets. The Group regularly reviews its overall financial position, including the market value of its cryptocurrency assets, cash reserves and operational cash flow requirements, and will adjust the utilisation of its surplus cash from time to time having regard to market developments and the Group's strategic planning.



## Directors' Report

**(ii). Traditional Investments (Including Wealth Management Products, Traditional Limited Partnership and Equity Investments and Property Investments)**

The Company shall perform thorough background investigations and due diligence reviews on counterparties and investment targets to ensure that the counterparties meet the relevant qualification requirements and possess sound management competence, and that the investment targets demonstrate favourable development prospects and, where applicable, sufficient liquidity.

- **Wealth Management Products:** The Group invests in wealth management products under the guiding principles of security, liquidity and return, prioritising capital preservation and maintaining adequate liquidity to satisfy daily operations and strategic investment requirements. Generally, the Group will not invest in wealth management products with a maturity period of more than one year, and will only consider principal-guaranteed and low-risk products, with preference given to those issued by banks with state-owned backgrounds. Any investment in wealth management products, whether calculated individually or in aggregate, representing 5% or more of the Group's total assets shall be subject to prior approval by the Board. Securities Compliance Department of the Company shall conduct size tests for each proposed purchase of wealth management products and ensure that the relevant procedures are in compliance with the requirements of the Listing Rules.
- **Traditional Limited Partnership and Equity Investments, and Property Investments:** Each investment project shall be subject to prior due diligence reviews and project analysis, and may only be carried out upon evaluation by the Investment Project Management Committee and approval by senior management. The Company will only invest in projects that satisfy the relevant qualification criteria and align with its strategies and investment policies. Any investment with an amount of more than RMB80 million, or a cumulative investment amount of more than RMB100 million within any 12-month period, as well as any project that, according to relevant size tests, accounts for 5% or more of the Group's total assets, must obtain prior approval from the Board. Securities Compliance Department of the Company shall conduct size tests for each proposed investment and ensure that the relevant procedures are in compliance with the requirements of the Listing Rules.



## Directors' Report

### **(iii). Investments in Web3 Ecosystem Projects and Related Funds**

The Company's investments in Web3 ecosystem projects and related funds shall be managed with reference to the policies on equity investments.

#### **Defined risk limits:**

Wealth Management Product: Any investment in wealth management products, whether calculated individually or in aggregate, representing 5% or more of the Group's total assets shall be subject to prior approval by the Board;

Traditional limited partnership and equity investments, property investments and investment in Web3 ecosystem projects and related funds: Any investment with an amount of more than RMB80 million, or a cumulative investment amount of more than RMB100 million within any 12-month period, as well as any project that, according to relevant size tests, accounts for 5% or more of the Group's total assets, must obtain prior approval from the Board.

#### **Counterparty risk:**

The Company shall perform thorough background investigations and due diligence reviews on counterparties and investment targets to ensure that the counterparties meet the relevant qualification requirements and possess sound management competence, and that the investment targets demonstrate favourable development prospects and, where applicable, sufficient liquidity. With respect to wealth management products, the Company will give priority to those offered by banks with state-owned backgrounds.

#### **Liquidity management:**

The Company will undertake traditional investments while ensuring sufficient liquidity and adequate working capital. The Company will also invest in Web3 ecosystem projects and related funds on the basis that such investments will not have any adverse impact on its Web3 strategic asset reserve plan or the operations of its businesses related to Web3 game ecosystem.



# Directors' Report

## *Investment Decision Making Process and Approval and Oversight Mechanisms*

### **(I) Cryptocurrencies Assets**

The investment decision making process and approval and oversight mechanisms with regard to the cryptocurrency assets are as follows:

- (a). The Board shall grant prior approval for any proposed plan for the purchase of cryptocurrencies, including, among others, the total amount, duration of utilisation, types of cryptocurrencies, trading platforms and trading methods. Should the transaction amount reach the threshold that requires shareholders' approval under the Listing Rules, the relevant transactions may only proceed after obtaining such shareholders' approval;
- (b). Under the approved cryptocurrency purchase plan, prior to the execution of each of the cryptocurrency purchases, relevant materials shall be submitted to the Investment Project Management Committee for review and approval in accordance with the relevant requirements. Such materials include, among others, information on the type and name of the cryptocurrency to be purchased; basic details such as its market capitalisation, market liquidity, ranking and indicators as published on reputable cryptocurrency market data websites; historical price trends; the proposed purchase quantity, price range and corresponding fiat amount to be paid; as well as records of cryptocurrencies purchased within the past 12 consecutive months, including categories, cumulative quantities, past transaction history and total consideration paid. Transactions may only be executed after the required approval has been obtained;
- (c). The Investment Project Management Committee shall evaluate the proposed cryptocurrencies, purchase quantities and related plans. The approval response shall specify, among other things, the approved time range, price range and allocation ratio for the relevant batch of purchases. The personnel authorised to execute the transactions must strictly adhere to the approved parameters when conducting the purchase of the relevant cryptocurrencies;
- (d). Upon approval of the relevant batch of cryptocurrency transactions by the Investment Project Management Committee, the authorised trading personnel shall submit an application form through the financial office automation system. The purchase operation may only be executed after obtaining approvals from the Finance Department, Compliance Department, Internal Audit Department and the Office of the General Manager;
- (e). Upon completion of each batch of cryptocurrency purchases or on a regular basis (for example, monthly), the VA Department shall report to the Investment Project Management Committee and the Board. The report shall include, among other things, details such as the types and quantities of cryptocurrencies purchased, the total consideration paid, the unit prices and the transaction completion dates;
- (f). The authorised trading officer shall be responsible for maintaining the ledger of cryptocurrencies, monitoring and analysing the purchases and holdings of cryptocurrencies in a timely manner, and preparing quarterly reports on the details of holdings and investment returns for submission to the Board;



## Directors' Report

- (g). The Internal Audit Department shall be responsible for the daily supervision of asset transfers and related cryptocurrency transactions in the Company's cryptocurrency accounts, and for conducting periodic audits to ensure that all procedures of cryptocurrency transaction are properly completed, the Company's records are complete and compliant, and the data are accurate;
- (h). The VA Department shall establish a Web3 data analysis position responsible for circulating daily news and updates on the cryptocurrency market, as well as closely monitoring and conducting periodic reassessments of market conditions. In the event of any abnormal price fluctuations or unusual changes in the cryptocurrency market, timely reports shall be submitted to the Company's management and the Board;
- (i). The Company has also arranged for the VA Department and relevant personnel to receive regular training, including but not limited to attending Web3 data analysis courses, studying research reports issued by professional Web3 institutions on a weekly basis, participating in seminars organised by industry associations or professional institutions, and actively participating in Web3 industry summits.

### **(II) Wealth Management Products**

The decision-making process and approval and monitoring mechanism for the Group's wealth management products are carried out in accordance with the Company's Investment Management Measures and Funds and Wealth Management Measures:

- (i) The investment management of the Group's wealth Management Products is the responsibility of the Finance Department. For any new bank with which the Group intends to cooperate, the Finance Department shall conduct a background check on the bank, including its relevant licence, background of controlling shareholders, reputation and governance standards, historical performance record, asset size, etc., and such cooperation must obtain prior approval from the Investment Project Management Committee and the Board of Directors;
- (ii) Any proposed purchase of a financial product must be submitted by the Finance Department to the Group's Investment Project Management Committee for review and assessment. The purchase may proceed only if the Investment Project Management Committee considers the risks controllable and consistent with the Company's relevant policies. The review covers the type of product (whether principal-guaranteed or fixed-income) and its risks, investment direction, maturity, qualifications of the product issuer, product size, and historical redemption record of the product;



## Directors' Report

- (iii) Before purchase, all wealth management products must undergo a size test conducted by the Company's Compliance Department in accordance with the relevant provisions of the Listing Rules, and must be approved by the Investment Project Management Committee and the Company's Compliance Department, and subsequently by the Company's General Manager Office before the purchase is made. If the amount of a proposed financial product (all products of the same type or purchased from the same institution within a consecutive 12-month period shall be aggregated) reaches 5% of the Group's total assets, the purchase must be submitted to the Board for approval;
- (iv) The Finance Department shall report to the Group's Audit Committee on a quarterly basis the details of all wealth management products purchased, including the amount, category, cooperating bank, nature of the product, maturity and return of each product. If any purchased product is not redeemed on time upon maturity or suffers a loss of principal, the Finance Department shall immediately report the matter to the Investment Project Management Committee and take appropriate measures;
- (v) The Company's Internal Audit Department will periodically review the process, amount, return, and fund redemption status of past financial product purchases. If any irregularity is identified, it shall be reported to the Investment Project Management Committee for discussion and resolution, and reported to the Board when necessary.

### **(III) *Property Investments, Traditional Limited Partnership Investments and Equity Investments, and Web3 Ecosystem Projects and Related Fund Investments***

The Group's decision-making process and approval and monitoring mechanism for property investments, traditional limited partnership investments and equity investments, and Web3 ecosystem projects and related fund investments are carried out in accordance with the Company's Investment Management Measures:

- (i) The Group shall use only its idle cash reserves for these categories of investments, and such investments shall be made without affecting the daily business operations of the Company. In principle, these categories of investments are limited to industries or businesses that are related to or complementary to the Group's existing business, or projects that meet the Group's business development and strategic layout needs;
- (ii) Project investments under these categories are primarily led and managed by the Investment Department. Before making any such investment, due diligence and project analysis must be conducted, and all necessary approvals must be obtained. For projects with relatively large investment sizes or more complex circumstances, or where the Investment Project Management Committee deems it necessary after discussion, the Company may engage external professional institutions to assist with pre-investment due diligence for specific projects.



## Directors' Report

- (iii) All investment projects under these categories must be reported to the Investment Project Management Committee in advance, and the project shall be analysed and evaluated based on due diligence materials. Only after the Investment Project Management Committee considers the project feasible shall it be submitted to the General Manager Office for approval before the investment is made. The Company shall ensure that the counterparty possesses the requisite qualifications and professional management capabilities, and that the investment target has sound future development potential and liquidity safeguards.
- (iv) For project investments under these categories, if the single investment amount exceeds RMB 80 million, or the cumulative amount within 12 months exceeds RMB 100 million, or the project passes the size test and reaches 5% of the Group's total assets, the Investment Project Management Committee shall prepare an investment proposal and submit it to the Board of Directors for approval before the investment may proceed.
- (v) For proposed investment projects under these categories, after completing all approval procedures and before making the investment, the project must be submitted to the Company's Compliance Department for a size test in accordance with the relevant provisions of the Listing Rules. The Investment Department shall cooperate with the Compliance Department to complete all disclosure or shareholders' approval procedures before the investment is formally made;
- (vi) If the Company's Compliance Department assesses that the proposed investment may constitute inside information, all personnel involved in or aware of such investment activities shall keep the relevant matters confidential to avoid any leakage of inside information. The Company shall complete the approval procedures as soon as possible and make the necessary disclosure (if required);
- (vii) The Finance Department shall report to the Group's Audit Committee on a quarterly basis on all investment projects under these categories, and shall periodically collect relevant financial information from the counterparties or investment projects, and analyse the financial data obtained. If any financial or operational abnormalities are identified, the Finance Department shall report to the Investment Project Management Committee immediately and discuss appropriate follow-up measures.



## Directors' Report

### *Investment Management Committee and Professional Qualifications of Relevant Personnel*

#### **Investment Project Management Committee**

The Company has established an Investment Project Management Committee, composed of professionals in the fields of internal audit, legal affairs, finance, and compliance, etc.. Members of the Committee possess deep theoretical knowledge and extensive practical experience in their respective areas, including: a non-practicing member of the Chinese Institute of Certified Public Accountants (CICPA), with substantial theoretical and practical expertise in corporate financial management, securities investment, and Web3 investment; a member of the All China Lawyers Association (ACLA), with years of experience as a practicing lawyer and proficiency in investment mergers and acquisitions, corporate governance, risk control, and dispute resolution; an auditor with approximately ten years of audit experience at a leading accounting firm; and a compliance officer familiar with the Hong Kong Listing Rules and related regulatory requirements, with extensive experience in financial management, listing compliance, and internal control monitoring.

The Committee is responsible for evaluating and analyzing all proposed investment projects and issuing professional opinions, thereby providing professional support for the Company's investment decisions.

The Company has also retained an external law firm to provide professional legal advice and support with respect to Web3-related businesses and related investment projects. In addition, the Company has engaged a Web3 data analyst who applies a rigorous financial data analysis framework to extract, clean, and analyze multi-dimensional data from the blockchain network in response to the dynamically evolving Web3 ecosystem. The analyst tracks in real time the latest developments and performance of the blockchain and cryptocurrency markets, providing professional support for the Company's Web3 investment research and trading strategy optimization.

#### **Board of Directors**

The Board of Directors of the Company is the ultimate decision-making body for major investment projects. The professional and experiential backgrounds of the members of the Board of Directors are as follows:

**Mr. Dai zhikang** (Chairman and Executive Director): 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. He 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 holds a bachelor's degree in communications engineering, founded Beijing Comsenz Innovation Technology Co., LLC\* (北京康盛新創科技有限責任公司) and served as its chairman, and has extensive management experience in technology companies as well as substantial experience in investing in both traditional and innovative technology projects.



## Directors' Report

**Mr. Choi Hon Keung Simon** (Independent non-executive Director): 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 holds a bachelor's degree in laws from Peking University, a master's degree in laws from University of London and a Common Profession Examination Certificate in laws from the University of Hong Kong. Mr. Choi was admitted as a Solicitor of the Supreme Court of England and Wales and a Solicitor of the High Court of Hong Kong.

**Mr. LIM Marco Jun Kit** (Independent non-executive Director): Mr. Lim is a founding partner of MaiCapital Limited (CE Number: BMC948), an asset management company focused on digital asset investments and holds Type 4 and Type 9 licences issued by the Securities and Futures Commission. He had served as a responsible officer holding Type 1, Type 4 and Type 9 licences under Solomon JFZ (Asia) Holdings Limited. He used to serve as an executive director in the Fixed Income, Currencies, and Commodities (FICC) division of The Goldman Sachs Group. Mr. Lim has more than 20 years of experience in financial markets, covering various asset classes including digital assets, bonds, foreign exchange, derivatives and commodities. He has been a member of the Task Force on Promoting Web3 Development of the Government of Hong Kong Special Administrative Region, a member of the Hong Kong Digital Asset Society Executive Committee and a part-time lecturer for CPT/CPD/OPT public courses at the Hong Kong Securities and Investment Institute, etc.. Mr. LIM graduated from Western University (formerly known as The University of Western Ontario) in Canada and obtained a degree of Bachelor of Administrative and Commercial Studies in Finance/Administration and Economics.

**Mr. Cheung Ngai Lam** (Independent non-executive Director): Mr. Cheung is a member of the American Institute of Certified Public Accountants and a Certified Practicing Accountant of Australia, holds a master of science (investment management) degree in finance from the Hong Kong University of Science and Technology. He has many years of experience in financial and investment management.

**Ms. Tao Ying** (Executive Director): Ms. Tao holds a bachelor's degree in economics and a certificate of graduation with a minor in accountancy. She has extensive experience in listing compliance, internal control, investment project management and financial management, and in-depth understanding and research in the area of corporate internal control management.



## Directors' Report

### MEASURES TO ENHANCE SHAREHOLDER VALUE

The Company has adopted the following measures to enhance shareholder value (including the Company's other capital allocation policies and strategies):

- (i). formulate sustainable and stable dividend policies and conduct ongoing reviews and amendments in light of actual circumstances to ensure shareholder returns and to align the dividend policy with the best interests of the Company's shareholders;
- (ii). maintain stable operations of the traditional online game business, while actively expand into the Web3 sector, which the Company considers to have significant growth potential and prospects, with the aim of developing a Web3 gaming ecosystem and system;
- (iii). as a core Web3 strategic asset of the Company, BTC enhances the Company's asset value through its appreciation while the Company expands its Web3 business;
- (iv). supplements and supports the development of the Web3 business by purchasing cryptocurrencies and investing in Web3 ecosystem projects and related funds, thereby further promoting the Company's growth and presence in the Web3 sector and enhancing both the Company's and shareholders value through business expansion. The cryptocurrency reserves form an important foundation for the Company's Web3 strategic deployment and will be partially utilised for the development of the Company's Web3 business. Investments in Web3 ecosystem projects and related funds enable the Company to stay close to the underlying capabilities and emerging use cases of Web3 technologies, obtain the latest industry data, and access earlier-stage and more systematic project pipelines and market intelligence. This in turn enhances the Company's Web3 project development capabilities and provides extensive opportunities to engage with the Web3 industry, expand cooperation channels with developers and ecosystem partners, enrich the Company's Web3 game industry ecosystem, and increase the Company's visibility and brand recognition within the Web3 ecosystem industry;
- (v). utilise surplus funds to purchase wealth management products as and when appropriate to enhance the efficiency of fund utilisation and to achieve capital preservation, appreciation, and higher returns;
- (vi). establish a sound investment decision-making process and risk control mechanism to manage investment risks and safeguard the security and appreciation of the Company's assets.



# Directors' Report

## DIRECTORS

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

### *Directors*

<b>Name</b>	<b>Position</b>
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. Ma Jingchun (resigned on 4 August 2025)	Independent Non-executive Director
Mr. Lim Marco Jun Kit (appointed on 4 August 2025)	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' 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' Report

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

As at 31 December 2025, the interests and short positions of the directors 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 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>(4)</sup>
Mr. Dai Zhikang <sup>(2)</sup>	The Company	Founder of a discretionary trust	36,500,000 (L)	4.73%
Ms. Tao Ying <sup>(3)</sup>	The Company	Beneficial owner	450,000 (L)	0.06%

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, directly holds the entire issued share capital of Comsenz Holdings Limited. Mr. Dai Zhikang is the director of Comsenz Holdings Limited. Visioncode 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 2025, Ms. Tao Ying is interested in 316,660 shares and 133,340 underlying shares in respect of the RSUs granted by the Company under 2024 RSU Scheme of the Company
- (4) As at 31 December 2025, the Company had 770,976,730 issued Shares (including 2,972,000 treasury Shares).

Save as disclosed above, as at 31 December 2025, 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.



## Directors' Report

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

As at 31 December 2025, 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>(5)</sup>
Ms. Zhang Shuang <sup>(2)</sup>	The Company	Beneficiary of a trust Beneficial owner Deemed interest	267,499,809 (L)	34.70%
Cantrust (Far East) Limited <sup>(3/4)</sup>	The Company	Trustee of a trust Deemed interest	285,709,747 (L)	37.06%
Rustem Limited <sup>(3/4)</sup>	The Company	Nominee for another person Deemed interest	285,709,747 (L)	37.06%
Chunlei Investment <sup>(2/3)</sup>	The Company	Interest in a controlled corporation	246,237,474 (L)	31.94%
Boyaa Global Limited <sup>(2/3)</sup>	The Company	Beneficial owner	176,572,474 (L)	22.90%
Emily Technology Limited <sup>(2/3)</sup>	The Company	Beneficial owner	69,665,000 (L)	9.04%

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) Chunlei Investment Limited ("**Chunlei Investment**"), a wholly-owned company of the trust named Chunlei Trust, directly holds the entire issued share capital of Boyaa Global Limited and Emily Technology Limited, respectively. Chunlei Trust is a discretionary trust, and its discretionary beneficiaries include Ms. Zhang Shuang and the children. Accordingly, under the Securities and Futures Ordinance, Ms. Zhang is deemed to be interested in the 176,572,474 shares held by Boyaa Global Limited and the 69,665,000 shares held by Emily Technology Limited, respectively. In addition, Ms. Zhang Shuang is the beneficial owner of 18,290,335 shares. As Ms. Zhang Shuang controls more than one-third of the voting power at the Company's general meetings, she is deemed to have an interest in 2,972,000 treasury shares of the Company.
- (3) Cantrust (Far East) Limited, the trustee of the Chunlei 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. As each of Cantrust (Far East) Limited and Rustem Limited controls more than one-third of the voting power at the Company's general meetings, each of them is deemed to have an interest in 2,972,000 treasury shares of the Company.



## Directors' Report

- (4) *Cantrust (Far East) Limited, the trustee of Visioncode 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) *As at 31 December 2025, the Company had 770,976,730 issued Shares (including 2,972,000 treasury Shares).*
- (6) *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 2025, 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 2025.

### 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 2025, the five largest payment collection channels contributed a total of approximately 68.6% of the Group's total revenue. Currently, Google is the largest payment collection channel, contributed approximately 23.4% 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 15 years. In particular, the length of business relationship with Google, the largest payment collection channel, is approximately 14 years.



## Directors' Report

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	
	2025 HK\$'000	2024 HK\$'000 (restated)
0 - 60 days	26,094	25,634
61 - 90 days	126	246
91 - 180 days	21	243
Over 180 days	1	102
	<b>26,242</b>	26,225

As at 31 December 2025, trade receivables past due but not impaired were approximately HK\$2,831,000 (31 December 2024: approximately HK\$3,063,000 (restated)). 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 26.7% 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 6.3%.

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 2025.

### 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 2025. 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.



# Directors' Report

## 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 and other factors.

## EMPLOYEE RETIREMENT BENEFITS

Particulars of the employee retirement benefits of the Group are set out in Notes 13 and 14 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 2025.

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 2025.

## 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.



# Directors' Report

## 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 2025, 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 HK\$750,985,000 (2024: approximately HK\$392,958,000 (restated)).

## BANK AND OTHER LOANS

The Group did not have any short-term or long-term bank borrowings or other loans as at 31 December 2025.

## 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 2025 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' AND CONTROLLING SHAREHOLDERS, INTERESTS IN COMPETING BUSINESS

Mr. Dai Zhikang holds a 4.32% equity interest in Jinghe Sidong (Beijing) Technology Co., Ltd. ("**Jinghe Sidong**") and serves as one of its four directors. Jinghe Sidong is primarily engaged in the provision of mobile games in China (excluding online chess and card games).

Save as disclosed above, as at the date of this annual report, the controlling shareholders and directors of the Company have confirmed that none of them or their respective close associates is engaged in, or has any interest in, any business that competes or may compete, directly or indirectly, with the business of the Company and its subsidiaries, and such interest is required to be disclosed under the Listing Rules.

Each of the controlling shareholders of the Company and the Directors has confirmed to the Company that they have not engaged or have interest in business, which compete or are likely to compete either directly or indirectly, with the business of the Company and its subsidiaries.

The independent non-executive directors of the Company have reviewed the compliance with the non-competition confirmation and are of the view that such non-competition confirmation has been complied with during the year ended 31 December 2025.



# 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 Group had sold the business on 30 June 2025 which required the Contractual Arrangements to operate and therefore, as at 31 December 2025, the Group had terminated the contractual arrangements and related agreements with Boyaa Shenzhen. For details regarding the termination of the contractual arrangements, please refer to the section headed “Termination of Contractual Arrangements” in this report.

The Contractual Arrangements comprised 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).

Prior to 30 June 2025, the then substantial shareholder of the Company (who was a connected person of the Company under Listing Rules 14A.07(1)) held 98% of the equity interest in Boyaa Shenzhen. Accordingly, pursuant to Listing Rules 14A.07(4), Boyaa Shenzhen was a connected person of the Company prior to 30 June 2025. In addition, an executive director of the Company, being a connected person of the Company under Listing Rules 14A.07(1), held 2% of the equity interest in Boyaa Shenzhen. As a result, the transactions contemplated under the Contractual Arrangements constituted continuing connected transactions of the Company under the Listing Rules. The Contractual Arrangements and the continuing connected transactions contemplated thereunder were terminated during the six months ended 30 June 2025. Please refer to the section headed “Termination of the Contractual Arrangements” below for further details.



# 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. For the six months ended 30 June 2025, the Group has terminated the contractual arrangements and related agreements with Boyaa Shenzhen. For details on the termination of contractual arrangements, please refer to the section “Termination of Contractual Arrangements” of this report.

Note:

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

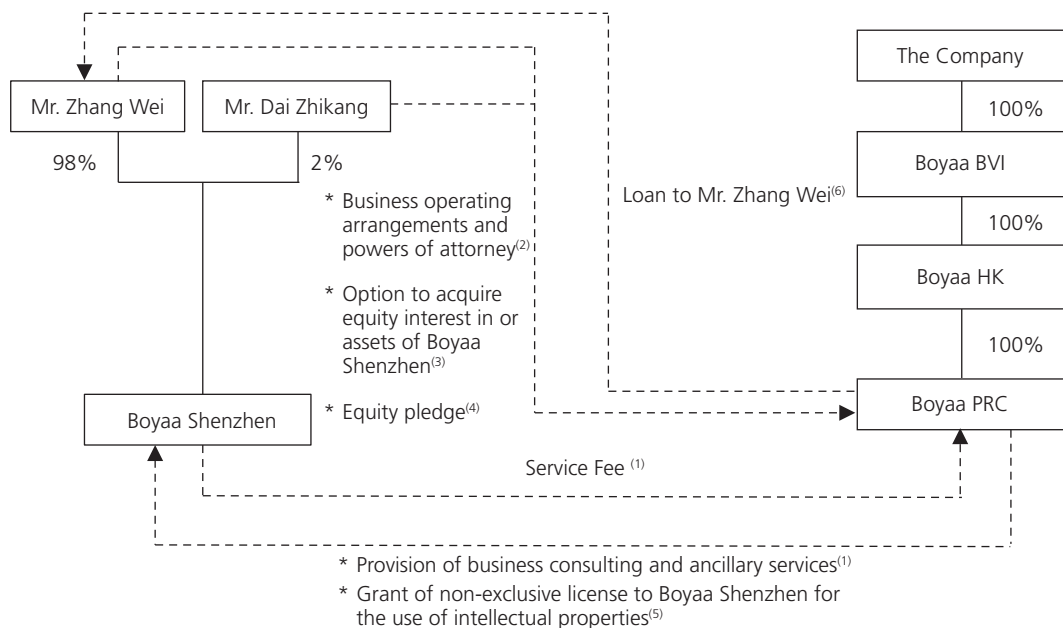


## Directors' Report

For the six months ended 30 June 2025, 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.

### **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 2025. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the year ended 31 December 2025 (during the period of the existence of the Contractual Arrangements).

During the six months ended 30 June 2025, the Group had sold the business which required the Contractual Arrangements to operate, the Group had then accordingly terminated the contractual arrangement and related agreements as at 31 December 2025.

Except the continuing connected transactions conducted under the Contractual Arrangements up to its termination, none of the other related party transactions as stated in Note 39 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

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| <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>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>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 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>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> |
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## Directors' Report

### Risks associated with the Contractual Arrangements

### Mitigation actions taken by the Company

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<p>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.</p>	<p>In addition, to ensure that it is complied with the Contractual Arrangements, the Company has further introduced the following measures:</p> <ul style="list-style-type: none"><li>i. the three independent non-executive Directors will review the effectiveness on implementation of the procedures and controls and compliance of the Contractual Arrangements;</li><li>ii. the then controlling Shareholder of the Company and the Director 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</li><li>iii. the Group has implemented corporate governance measures to manage any conflicts of interest between the Group and the Directors.</li></ul> <p>Pursuant to the Business Operating Agreement, in the event that Boyaa PRC or its designee decided to voluntary wind-up or dissolve Boyaa Shenzhen, the equity holders of Boyaa PRC 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.</p>
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In addition, under the Business Operating Agreement and the Equity Pledge Agreement, the equity holders of Boyaa PRC 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 2025 and as a result, Boyaa PRC enjoy a preferential tax rate of 15% from 1 January 2025 to 31 December 2027. Therefore, the applicable tax rate for Boyaa PRC was 15% (2024: 15%) for the year ended 31 December 2025.

Boyaa Shenzhen temporarily has not renewed its HANTE qualification since 2022. Therefore, the applicable tax rate for Boyaa Shenzhen was 25% (2024: 25%) for the year ended 31 December 2025. 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

### Mitigation actions taken by the Company

- 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.

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

### **Termination of Contractual Arrangements**

During the six months ended 30 June 2025, Boyaa Shenzhen (a company controlled by our Group through the contractual arrangements<sup>1</sup>) had entered into a sale agreement (the "**Sale Agreement**") with Shenzhen Qiqu Technology Co., Ltd. (深圳旗趣科技有限公司), an independent third party (the "**Purchaser**"). Pursuant to the Sale Agreement, Boyaa Shenzhen had agreed to sell and the Purchaser had agreed to purchase (the "**Disposal**") all the online games owned by Boyaa Shenzhen (the "**Subject Games**"), including all the online games (including PC games and mobile games) and WeChat mini games owned and operated by the Group through Boyaa Shenzhen in Mainland China. Pursuant to the Sale Agreement, the consideration of the Disposal of Subject Games shall be no less than RMB4,070,000 (the "**Minimum Consideration**") and no more than RMB15,000,000. The amount of RMB4,070,000 represents the market value of the Subject Games as appraised by an independent valuer using the income approach, while the amount of RMB15,000,000 represents the maximum total consideration payable by the Purchaser provided that after the completion of the handover of all Subject Games, the subsequent revenue of the Purchaser generated from Subject Games exceeds expectations and meets the criteria stipulated in the Sale Agreement. As at 30 June 2025, the Purchaser had settled the payment of the Minimum Consideration, and the handover of all the Subject Games had been completed. The Group have ceased all operations of Subject Games with effect from 1 July 2025.

The Subject Games are offered and operated by Boyaa Shenzhen exclusively in the PRC and we conducted these operations in the People's Republic of China (the "**PRC**") through the Contractual Arrangements as foreign investors are prohibited from holding equity interests in an entity conducting online game business and are restricted to conduct value-added telecommunications services (the "**Foreign Investment Restrictions**"). For the year ended 31 December 2024 and the six months ended 30 June 2025 (up to the date of the Disposal), the Subject Games generated revenue in the amount of approximately HKD18.79 million and HKD11.46 million, representing 4.2% and 5.0% of our total revenue for the respective periods and that it had generated profit in the amount of approximately RMB0.17 million and HKD0.49 million, representing 0.02% and 0.2% of our profit for the periods. The directors of the Company (the "**Directors**") are of the view that the Disposal does not have any material adverse impact on the operations and financial positions of the Group.

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are less than 5%, the Disposal does not constitute any notifiable transaction under Chapter 14 of the Listing Rules.

After the completion of the handover of Subject Games, the Company no longer conducts any business with Foreign Investment Restrictions and therefore the Company had terminated the Contractual Agreements during the six months ended 30 June 2025 in accordance with the applicable PRC laws. The Board is of the view that termination of the Contractual Agreements does not have a material adverse impact on the Group's operations and financial positions.

- 1. The contractual arrangements enable us to exercise control over the operations of, and enjoy all economic benefits of, Boyaa Shenzhen which include, among others: (i) the restated and amended exclusive business consulting and service agreement; (ii) the restated and amended business operating agreement and the relevant powers of attorney; (iii) the exclusive option agreement; (iv) the restated and amended equity pledge agreement; and (v) the intellectual properties license agreement (the "**VIE Agreements**"). For details, please refer to the section headed "History, Reorganization and Corporate Structure — Contractual Arrangements" of the Prospectus and the section headed "Directors' Report – Contractual Arrangements" of the 2024 Annual Report of the Company published on 9 April 2025.*



## 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 during the subsistence of the Contractual Arrangements (i) the transactions carried out during the year ended 31 December 2025 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 subsistence of the Contractual Arrangements in 2025.

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, 15 March 2026



## 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 2025, 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. Lim Marco Jun Kit 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 40 to 41 of this annual report.

The Company has entered into a service contract with each of the executive Directors for a term commencing on 23 May 2025 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 23 May 2025 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. Lim Marco Jun Kit was appointed as a director of the Company on 4 August 2025 and had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 1 August 2025. 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 2025 was approximately HK\$2.4 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 and other factors. Details of the remuneration of the Directors and senior management of the Company for the year ended 31 December 2025 are set out in Notes 14 to the consolidated financial statements.

During the year ended 31 December 2025, 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.

Taking into account the factors pursuant to Rule 3.13 of the Listing Rules, the Company considers each of the independent non-executive Directors still 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 2025. Mr. Poon Ping Yeung (“**Mr. Poon**”) is the senior 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

## SKILLS AND EXPERIENCE OF DIRECTORS

	Executive leadership and strategy/ Experiences of directorship and roles of senior executive at other listed companies	Global Operations	Experience in the Chinese Mainland market	Accounting/ Financial Management expertise	Legal Profession/ Regulation and Compliance/ Risk Management	Knowledge and experience in the Web3 and online gaming industry
<b>Executive Director</b>						
Dai Zhikang	✓	✓	✓		✓	✓
Tao Ying	✓	✓	✓	✓	✓	
<b>Independent Non-executive Director</b>						
Cheung Ngai Lam	✓	✓	✓	✓	✓	
Choi Hon Keung Simon	✓	✓	✓		✓	✓
LIM Marco Jun Kit	✓	✓		✓	✓	✓
<b>Proportion</b> (as a percentage of the total number of directors)						
	100%	100%	80%	60%	100%	60%

The table below sets out the skills and expertise of the Board that are most relevant to the Company's strategy, governance and business operations. These skills and expertise enable the Board of the Company to fulfil its duties effectively in order to achieve the Company's strategic objectives and ensure its sustainable development.

## BOARD PERFORMANCE REVIEW

In 2025, the Company performed an internal valuation of the performance of the Board and its committees. The valuation process included:

- Determine the valuation methods and scopes;
- Communicate with each member of the Board to seek their opinions;
- Submit the valuation results and action plan to the Board.



# Corporate Governance Report

The key scopes covered by the 2025 performance valuation of the Board of the Company, and the Board’s observations regarding its performance, are as follows:

Key scopes	Valuation Criteria	Observations on Board Performance
Composition and Skills of the Board	<ul style="list-style-type: none"> <li>Whether the Board possess the appropriate skills, expertise, experience, background and diversity to achieve the issuer’s strategic objectives and to adapt to the changes and new trends brought about by the rapidly evolving world nowadays;</li> <li>Based on the above table of skills and experience, the current composition of the Board meets the Company’s strategic development needs.</li> </ul>	<ul style="list-style-type: none"> <li>Whether the Board anticipate any changes to the Issuer’s business objectives, and assesses whether the Board needs to bring in new skills.</li> </ul>
Board Culture and Interaction among Board Members	<ul style="list-style-type: none"> <li>Whether the Board’s values and conduct are consistent with the Company’s objectives;</li> <li>Is there good communication and close cooperation amongst the directors;</li> <li>The quality of strategic discussions and decision-making by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>In making major decisions, the Board adheres to the principles of compliance, integrity and sustainable development; its conduct is in line with corporate governance guidelines and ethical standards, ensuring that all actions serve the overall interests of shareholders and stakeholders;</li> <li>Communication within the Board and amongst its members is open and frank; views are thoroughly exchanged and actively discussed during meetings, with close follow-up after meetings, all directors collaborate effectively, and make appropriate decisions all directors collaborate effectively.</li> </ul>



# Corporate Governance Report

Key scopes	Valuation Criteria	Observations on Board Performance
Board Practice	<ul style="list-style-type: none"> <li>Whether the current directors' practices (such as agenda setting, governance practices and the structure of the Board Committees) are appropriate;</li> <li>Whether further improvements are needed to ensure the Board operates more smoothly.</li> </ul>	<ul style="list-style-type: none"> <li>The responsibilities of each Board Committee are clearly defined, and the composition of the committees is well aligned with their functions, enabling them to effectively support the Board's professional decision-making;</li> <li>Overall, the current Board of Directors is well-suited to the Company's current governance needs and is functioning effectively;</li> <li>The Board will conduct regular performance reviews and implement improvements to ensure that operational processes remain efficient and smooth at all times.</li> </ul>
The Quality and Timeliness of Information Provided by the Board	<ul style="list-style-type: none"> <li>Whether relevant parties (such as management) has provided high quality information regarding relevant companies and its performance in a timely manner</li> <li>Whether documents of the Board and necessary materials distributed in good time prior to the meeting to enable directors to prepare thoroughly for the meeting.</li> </ul>	Management strictly adheres to the Board meeting schedule, preparing and submitting performance data on key metrics in advance, and promptly supplementing any required information in response to feedback. This ensures that the Board has a comprehensive understanding of the Company's latest situation and the details of significant matters, providing the Board with vital information for decision-making, whilst allowing sufficient time for the Board to review the materials prior to the meeting.
Board Meetings	<ul style="list-style-type: none"> <li>Whether the Board Meetings were conducted effectively, and achieved its intended objectives.</li> </ul>	The agenda for Board Meetings is clearly defined, and the chairman of the Meetings effectively manages the pace and direction of discussions, ensuring that key issues are thoroughly examined and that time is allocated appropriately. All objectives set for the meeting are achieved on schedule, and the mechanism for following up on resolutions is well-established.



# Corporate Governance Report

Key scopes	Valuation Criteria	Observations on Board Performance
Compliance and training	<ul style="list-style-type: none"> <li>Whether the Board complied with applicable laws and regulations;</li> <li>Is sufficient support provided for the development and training of directors.</li> </ul>	<ul style="list-style-type: none"> <li>The Board consistently prioritises compliance in its operations and strictly adheres to the laws, regulations and regulatory requirements of the jurisdictions in which the Company is listed and conducts its business;</li> <li>The 2025 director development programme has received the Company's support; the training meets the Company's strategic needs and complies with regulatory requirements.</li> </ul>
Risk Management and Internal Control	<ul style="list-style-type: none"> <li>Whether the Board has adequate procedures in place to identify and assess risks, and to oversee the issuer's risk management and internal control systems.</li> </ul>	<ul style="list-style-type: none"> <li>The Board has established risk management and internal control procedures, and reports regularly to the Audit Committee and the Board;</li> <li>Management continues to refine and improve its internal control procedures.</li> </ul>
Stakeholders Engagement	<ul style="list-style-type: none"> <li>How the Board engages with shareholders and other stakeholders, listens to their views and responds to them</li> </ul>	<p>The Board attaches great importance to communication with shareholders and other stakeholders. This includes holding general meetings, regular results briefings, investor group meetings, providing an investor hotline and a dedicated email address, and issuing quarterly results announcements to ensure transparency in information disclosure.</p>



## Corporate Governance Report

Based on the valuation findings, the Board currently possesses the necessary skills, knowledge and experience, and continues to operate effectively, demonstrating sound corporate governance.

The Board of the Company fully recognizes that regularly evaluating the Board's performance and continuously maintaining and enhancing the Board's effectiveness are critical to sound corporate governance. In 2026, the Company's action plan to further enhance the Board's effectiveness is as follows:

- Continuing to clarify and prioritize the agenda of Board meetings, promote in-depth discussions on the Company's business strategies and development plans, and improve the quality of decision-making and the effectiveness of strategic guidance;
- Building on the existing positive interaction, regularly soliciting directors' feedback through various channels to foster a positive and open Board culture. Further strengthening communication and collaboration among directors to enhance team cohesion and the Board's overall synergy;
- Continuing to strengthen succession planning for the Board and management to prepare for the Group's future. This includes, but is not limited to: developing appropriate Board succession plans; considering the skills matrix, selection criteria, and compliance with relevant regulatory requirements (covering independence, specialization, and professional competence) for non-executive directors; and promoting the development of succession pipelines for key management positions;
- Continuing to support training and professional development for directors, and further promoting the Board's self-renewal and learning mechanisms. This includes, but is not limited to: further optimizing the onboarding and training procedures for new directors based on their individual backgrounds and anticipated committee responsibilities; and promoting and organizing training for directors on topics such as industry trends, regulatory policies, and emerging technologies (e.g., Web3), to ensure the Board's knowledge remains aligned with the external environment and the Company's strategic development.



## 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, C, D, E, F	A. 6 February 2025 - Online compliance training by Global Law Firm on the review and registration of long-term external debts of enterprises (1.5 hours)
Ms. Tao Ying	Executive Director	A, C, D, E, F, G	
Mr. Cheung Ngai Lam	Independent non-executive Director	A, C, D, E, F	B. 1 August 2025 - Online training for new directors hold by Jingtian GongCheng Law Firm (1 hour)
Mr. Choi Hon Keung Simon	Independent non-executive Director	A, C, D, E, F	
Mr. Ma Jingchun (resigned on 4 August 2025)	Independent non-executive Director	A	C. 11 August 2025 - Online training by the Company Secretary on the main revisions of the "Corporate Governance Code" and "Listing Rules" provisions (2 hours) (including corporate governance updates, risk management and internal control, board effectiveness, etc.)
Mr. Lim Marco Jun Kit (appointed on 4 August 2025)	Independent non-executive Director	B, C, D, E, F, H	
			D. 22 September 2025 - Reading the "Director's Responsibility Guidelines" issued by the Hong Kong Companies Registry (1 hour)
			E. 17 November 2025 - Online compliance training by Jingtian Gongcheng Law Firm on Hong Kong listed companies (3 hours) (including listing rule updates, ESG reporting, disclosures to be made, corporate governance updates, etc.)
			F. 11 December 2025 - Reading the learning materials related to BTC, "BTC's Past, Present and Future" (1 hour)
			G. 19 to 20 July 2025 - Attending the offline board secretary seminar (12 hours)
			H. 9 December 2025 - Online discussions of intersection of finance, fintech and crypto hosted by ADI Foundation and Finstreat (2 hours)



## Corporate Governance Report

During the Reporting Period, the Board held 5 meetings. A total of 31 proposals were considered at these Board meetings, including proposals for the consideration of the Company's 2024 annual report, 2024 annual results announcement, 2025 first quarterly results announcement, 2025 interim report, 2025 interim results announcement, placing of new shares under general mandate and 2025 third quarterly results announcement, 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 Vehicle Management Measures and the Warehouse Management Measures, 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.

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. Ma Jingchun (resigned on 4 August 2025)	2	2
Mr. Lim Marco Jun Kit (appointed on 4 August 2025)	3	3

In 2025, the Company convened and held one annual general meeting, being the 2025 annual general meeting held on 23 May 2025. All of the then 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 annual 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.



## Corporate Governance Report

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.

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. Lim Marco Jun Kit, 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 2025, the Audit Committee held 4 meetings, at which a total of 20 proposals were considered, including proposals for the consideration of the Company’s 2024 annual report, 2024 annual results announcement, 2025 first quarterly results announcement, 2025 interim report, 2025 interim results announcement, 2025 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 2025.

<b>Director</b>	<b>Number of meetings requiring attendance</b>	<b>Number of meetings attended</b>
Mr. Cheung Ngai Lam	4	4
Mr. Choi Hon Keung Simon	4	4
Mr. Ma Jingchun (resigned on 4 August 2025)	2	2
Mr. Lim Marco Jun Kit (appointed on 4 August 2025)	2	2



# 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. Lim Marco Jun Kit 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 2025, 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, etc.

The table below sets out the details of meeting attendance of each member of the Nomination Committee during the year ended 31 December 2025.

<b>Director</b>	<b>Number of meeting requiring attendance</b>	<b>Number of meeting attended</b>
Mr. Choi Hon Keung Simon	1	1
Ms. Tao Ying	1	1
Mr. Ma Jingchun (resigned on 4 August 2025)	1	1
Mr. Lim Marco Jun Kit (appointed on 4 August 2025)	N/A	N/A

## ***Director Nomination Policy***

### ***a. Objective***

#### **This Director Nomination Policy aims to:**

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

To further ensure gender diversity of the Board, the Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become members of the Board, which will be reviewed by the Nomination Committee periodically in order to develop a pipeline of potential successors to the Board to promote gender diversity of the Board.

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 2025, the gender ratio in the workforce (including senior management) is 64.1% (male) : 35.9% (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. Lim Marco Jun Kit. 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 2025, the Remuneration Committee held 1 meeting, considered proposals such as proposals for the remuneration of the Directors and senior management, and the policy and structure of the remuneration for the Directors and senior management and the granting of the RSUs under the 2024 RSU Scheme, etc.



## 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 2025.

<b>Director</b>	<b>Number of meeting requiring attendance</b>	<b>Number of meeting attended</b>
Mr. Cheung Ngai Lam	1	1
Mr. Choi Hon Keung Simon	1	1
Mr. Ma Jingchun (resigned on 4 August 2025)	1	1
Mr. Lim Marco Jun Kit (appointed on 4 August 2025)	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 2025 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 2025.

### 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 150 to 153 of this annual report. In preparing the financial statements for the year ended 31 December 2025, 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 39 of this annual report.

## AUDITOR'S REMUNERATION

The remuneration for the annual audit and other services provided by the auditor to the Group during the year ended 31 December 2025 was approximately as follows:

<b>Type of services</b>	<b>Amount (HK\$'000)</b>
Audit services:	
Annual audit services	2,180
Other assurance services	600
	2,780
Non-audit services:	
Review services	640
Total	3,420



# 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 2025, 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.boyya.com.hk](http://www.boyya.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.boyya.com.hk](http://www.boyya.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 2025.

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.boyya.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 2025, 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 2025 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 2025 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, Hong Kong office and office properties acquired in Henan (including self-use and rental parts), 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 2025 to 31 December 2025.

### *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 15 March 2026.



# Environmental, Social and Governance Report

## ***Board Statement***

The Board assumes overall responsibility for the Company's environmental, social, and governance (ESG) strategies and reporting matters, and authorizes the Audit Committee to supervise and manage ESG matters. The Audit Committee, through its Sustainability Committee, reviews the implementation, progress, and performance management of the Company's ESG activities.

During the reporting period, the Board participated in the assessment and prioritization of the importance of key ESG issues (please refer to the ESG Governance – ESG Importance Assessment section for details). Through interviews, meetings, and other means, the Board provided opinions and suggestions on ESG issues that may affect the Company's long-term sustainable development and assessed their priority. Senior management and business leaders also participated in assessing key ESG risks related to their businesses, developing countermeasures by considering the likelihood of risk occurrence, the extent of impact, and trends. The Company has incorporated key ESG risks into its annual corporate risk assessment and comprehensive risk management system. The Audit Committee will regularly monitor ESG-related matters, review significant risks, and propose countermeasures.

The Audit Committee tracks the progress and effectiveness of ESG activities through regular progress reports submitted by the Sustainability Committee. The Board and the Audit Committee pay close attention to ESG issues that have a critical impact on the Company's business and supervise the relevant response strategies and their implementation.

## ***ESG Governance Framework***

The Company has established a top-down, multi-level ESG governance framework:

### ***Decision-Making Level***

1. Board of Directors – Responsible for the overall reporting and implementation of the Company's environmental, social, and governance (ESG) strategies and fully accountable for overseeing ESG-related issues, including the formulation of relevant policies and strategies and climate-related risks and opportunities. The Audit Committee supervise the implementation of ESG measures (by receiving progress reports on ESG work through regular work briefings), and review at least annually whether the Company's performance has met the corresponding targets, assessing risks and opportunities, refining the climate strategy as needed to ensure alignment with the Group's broader strategic direction as well as proposing remedial measures and recommendations. When overseeing major strategic decisions and risk management processes, the Board proactively considers identified climate risks and opportunities, carefully weighing relevant trade-offs to support informed and balanced decision-making. To equip the Board with the necessary expertise for its oversight responsibilities, the Group provides training materials or training sessions, and access to learning resources, thereby continuously enhancing the Board's ability to identify and assess climate-related risks and opportunities while keeping them informed of the latest developments.



# Environmental, Social and Governance Report

## Management Level

2. Sustainability Committee (Newly Established) – Composed of the Chief Executive Officer and the heads of relevant functional departments, with the Chief Executive Officer serving as its Chairman. The Committee is responsible for identifying ESG-related risks, formulating sustainability strategies and targets, breaking down targets into actionable components, developing implementation plans, and reviewing implementation results. It reports annually to the Audit Committee on the Group’s ESG progress, evaluates the achievement of targets, and formulates work plans and objectives for the upcoming period. Relevant control requirements and implementation procedures have been fully integrated into the policies of each business division, enabling the Group to proactively identify potential climate-related risks and opportunities, make data-driven decisions, and drive the execution of concrete and actionable climate action plans.

## Execution Level

3. ESG Working Group – Establish the ESG working group, under the leadership of the Sustainability Committee to drive the implementation of ESG strategies, coordinating internal and external resources, meeting ESG targets, collecting relevant data, advancing specific projects, and reporting regularly to senior management.

## 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, users and government and regulatory agencies, 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.

Major stakeholder groups	Examples of engagement channels and frequencies
Shareholders/institutional and individual investors	Annual general meeting, notices, circulars and announcements Regular corporate publications, including financial reports Investor seminars, and results briefings, etc.
Users	Company website, online customer service, social media platforms
Government and regulatory agencies	Information disclosure and policy consultation feedback
Employees	Regular communication with employees Learning and development workshops Employee surveys
Suppliers and business partners	Price comparisons for purchased products and services Site visits



# Environmental, Social and Governance Report

## ***Materiality Assessment***

Understanding how various ESG topics affect our business and our stakeholders helps us to identify sustainability-related risks and opportunities for our strategic and organisational planning. We conduct a materiality assessment annually to review and prioritise the importance of various ESG topics, helping us to lay the foundation of our strategy and management approaches to sustainability. In 2025, the process entailed four main steps:

### **1. Identification**

The Company closely follows market trends and industry experience, closely monitors international developments, global and regional regulations and policy, as well as the feedback from shareholders, and identifies ESG issues that may impact the Company.

### **2. Prioritization**

Prioritization is determined based on the principle of mutual materiality, including assessing how ESG risks and opportunities affect the Company.

### **3. Contextual Consideration**

Based on the prioritization results, the relevance of risks, opportunities, and impacts to the Company's overall business objectives and key priorities is assessed, and sustainability priorities are formulated.

### **4. Verification**

The 2025 materiality assessment results have been reviewed by the Audit Committee and approved by the Board of Directors on 15 March 2026.

## ***Most Important:***

Data Privacy and Security, Anti-corruption and Anti-fraud, Corporate Governance (Efficiency, Diversity, Independence), Product Responsibility (including Platform Compliance), Talent Attraction and Retention

## ***Important:***

Service Quality and User Feedback, Training and Employee Development, Intellectual Property Protection, Supply Chain Management, Occupational Health and Safety

## ***Relevant:***

Community Investment, Resource Use and Carbon Emissions, Energy Consumption



# Environmental, Social and Governance Report

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

### **Governance**

The Board of Directors and the Audit Committee, with the support of the Sustainability Committee, oversees the Company's performance and practices in environmental management. The ESG Working Group manages and coordinates the Company's environmental protection efforts and reports to the Sustainable Development Committee.

For details on ESG governance, please refer to the "ESG Governance Framework" section of this report.

### **Strategy**

We continuously conduct climate assessments, incorporating considerations of business models, value chains, and financial capabilities into our climate strategy.

We conduct scenario analyses of our operating assets and businesses using both low-carbon and high-carbon climate scenarios to assess the climate risks and opportunities they face. The time horizon covers short-term (1 to 3 years), medium-term (4 to 5 years), and long-term (over 5 years). The scenarios and the time horizon selected align with the Group's operational budgeting cycle and strategic business planning cycle.

The current and anticipated effects on the business model and value chain include higher operating and compliance costs, premature asset impairment or scrappage, lower user demand, increased labour costs, and opportunities from energy efficiency and low-carbon products. Climate-related risks and opportunities are concentrated in the company's data centres (located in coastal areas and geographic regions vulnerable to flooding and rising temperatures), office facilities, supply chain management processes, and the transition towards low-carbon products and services in the market.

Given that relevant operational data is distributed across various business units and involving diverse data sources, and there are no universally recognized calculation standards, the Group is unable to reliably prepare various cross-industry climate metrics in a manner that is both reasonable and cost-effective. Furthermore, as the Group's climate-related actions are embedded within day-to-day operations — such as monitoring emerging climate regulations — there are no separately identifiable components dedicated specifically to addressing climate-related risks and opportunities. Consequently, the Group is also unable to provide quantitative data on current and anticipated financial impacts, quantitative data on the combined financial effects of climate-related risks or opportunities and other factors, or the amounts and percentages of assets or business activities that are vulnerable to climate-related transition risks, physical risks, or that aligned with climate-related opportunities. Nevertheless, the Group has identified the core implications of key climate risks and opportunities and provided detailed qualitative disclosures in the tables below. The Group is also actively enhancing its internal data integration and modeling capabilities to progressively improve the disclosure of such quantitative information.

Based on the results of the scenario analysis, we have taken appropriate measures to enhance our capacity to respond to, mitigate, and adapt to climate risks, and to strengthen climate resilience to address the identified major physical and transitional risks. For example:



# Environmental, Social and Governance Report

	Risk type	Risk Description	Potential financial impact	Risk response measures
<b>Transformation risks</b>	Long-term/legal and policy risks	Rising greenhouse gas emissions pricing; strengthened emissions reporting obligations; mandatory requirements and regulations for existing products and services; litigation risks.	Higher compliance costs increase operating costs; existing assets may be impaired or prematurely scrapped due to policy changes; service costs may increase or demand may decrease due to fines and judgments.	Stay informed about the latest climate-related laws and regulations in the current operating locations; communicate relevant laws, regulations, and policies with business lines in various regions in a timely manner to discuss the necessary measures to ensure that products and services meet compliance requirements.
	Long-term/market risks	Constantly changing user behavior; uncertainty in market signals	Demand for the product decreases due to changing user preferences; production costs increase due to constantly changing input prices and output requirements.	Actively promote the concept of environmental protection; optimize energy consumption and reduce costs.
	Long-term/reputational risks	Users or suppliers may suffer reputational damage due to the company's lack of action or inadequate follow-up in addressing climate change.	Decreased revenue due to fewer users; increased labor costs due to negative impacts of workforce management and planning.	Suppliers are required to submit energy and carbon emission data; it is recommended that suppliers receive climate change-related training.
<b>Physical risks</b>	Acute/Short-Term Physical Risk	Extreme natural phenomena (such as hurricanes, floods, etc.) can cause water and power outages that render office buildings unusable; may damage data centres, leading to serve downtime and service interruptions.	Due to negative impacts on labor, costs have increased and revenue has decreased; existing assets are being scrapped prematurely; and operating costs have increased.	Establish contingency plans for force majeure events;
	Chronic/Long-term physical risks	Climate change is causing sea levels to rise, putting workplaces at risk; threatens coastal data centres; and the rise in global temperatures increases the cooling energy consumption of data centres.	Increase in insurance premiums and the rise in operating costs (such as electricity bills, cooling costs, etc.) lead to higher overall costs.	Conduct online office trials and adopt online office practices when necessary to reduce office costs; deploy business across data centres in multiple geographic locations to avoid a single point of failure.
	Opportunity Type	Opportunity Description	Potential financial impact	
<b>Transformation opportunities</b>	Energy	The application of energy-saving measures can reduce energy consumption and lower operating expenses.	Higher compliance costs increase operating costs; existing assets may be impaired or prematurely scrapped due to policy changes; service costs may increase or demand may decrease due to fines and judgments.	
	Products and services	Providing low-carbon products may increase market share.	Decreased revenue due to fewer users; increased labor costs due to negative impacts of workforce management and planning.	



# Environmental, Social and Governance Report

The Company's anticipated changes to its business model, including resource allocation, may involve investing in energy-saving measures, developing low-carbon products, deploying business across multiple geographically dispersed data centres to reduce physical risks, and establishing contingency plans. The Company does not currently have a formal climate-related transition plan.

During the reporting period, climate-related risks and opportunities have not had a material impact on the issuer's financial position, financial performance, or cash flows; and there is no significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period arising from the identified climate-related risks and opportunities.

The Company considers its climate resilience to be at an acceptable level and has planned corresponding resources and actions to address future uncertainties. With respect to climate resilience, the significant areas of uncertainty the Company faces include: the magnitude and timing of future climate policy changes (e.g., carbon pricing levels), the frequency and intensity of extreme weather events, and long-term trends in user behavior and market signals. The Company believes that it currently has the capacity to adjust or adapt its strategy and business model over the short, medium and long term.

## ***Risk Management***

We have integrated climate-related risks into our corporate risk management system and assessment framework to identify, assess, manage, and track risks that may impact our business.

### ***Climate-Related Risk Management Process***

#### Step 1: Risk Inventory and Identification

- Analyze industry and peer best practices;
- Identify climate risks and opportunities under the TCFD framework;
- Generate a list of climate risks and opportunities.

#### Step 2: Risk Assessment and Scenario Analysis

- Select low-carbon and high-carbon climate scenarios;
- Select appropriate timeframes (short-term and long-term) to assess climate impacts;
- Gather information on asset and business development strategies;
- Conduct internal interviews to understand operational status;
- Conduct industry and asset-level scenario analysis.

#### Step 3: Risk and Opportunity Impact Assessment

- Assess the impact of climate risks and opportunities on the company's strategy and financial planning;
- Develop quantitative models to analyze the climate-related financial impacts.

#### Step 4: Risk Management and Response

- Strengthen response measures for material climate risks and opportunities;
- Continuously monitor and assess the progress of risk management based on regular reports from individual business units;
- Review implementation status, formulate and adjust climate-related risk management policies and implementation measures.



# Environmental, Social and Governance Report

## Indicators and Targets

To better track progress toward carbon neutrality and manage climate risks and opportunities, we have established a series of indicators and targets, referencing the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code and IFRS S2/TCFD standards.

1. Carbon Emissions Target — With 2023 as the base year, by 2030: Reduce absolute Scope 1 and Scope 2 emissions by 30%; With 2025 as the base year, by 2030: Reduce Scope 3 emissions per unit area by 10%.
2. Energy Use Target — With 2023 as the base year, by 2030: Reduce total self-use office electricity consumption by 30%.
3. Water Use Target — With 2023 as the base year, by 2030: Reduce water consumption per unit area by 5%.

The Company plans to achieve its climate-related targets by implementing the identified mitigating measures, internal control measures, and risk management procedures described above, and plans to allocated human resources and internal funds for such implementation. No capital expenditures, financing, or investments were specifically allocated to addressing climate-related risks and opportunities during the year. Currently the Group is not subject to any legally or regulatory mandated climate-related targets.

To translate these established targets into concrete emission reduction actions, the Group focuses on achieving substantial decarbonisation through enhanced energy efficiency and optimized operational processes. At this stage, the Group has no plans to use carbon credits for emission offsetting. However, we will continue to monitor the carbon credit market and related policy developments, so as to utilize such instruments as a supplementary approach at an appropriate time to advance the achievement of our long-term carbon neutrality goals.

The Group's strategic focus remains on optimizing core business performance and generating long-term value, which is consistent with its current risk management approach. At present, the Group has not yet incorporated an internal carbon pricing mechanism or climate-related factors into its remuneration policies or governance structure. This is primarily because these factors have not yet demonstrated a direct and material relevance to the Group's industry, current operational priorities, or financial decision-making needs. The Group will continue to monitor developments in climate-related metrics, industry best practices, and the application of internal carbon pricing, and will actively assess the feasibility of integrating these elements into its governance framework and remuneration policies when conditions mature.

## 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.



# Environmental, Social and Governance Report

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. 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.

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

The Group has always placed emphasis on promoting the concept of environmental protection and energy conservation, encouraging every employee to personally contribute to environmental protection. Specific actions include, but are not limited to:

- 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.
- posted warm reminders in relevant locations, such as on printers with messages like “Use every piece of paper wisely”; and posted energy-saving and environmental protection reminders in various public spaces of the Company, covering topics such as paper conservation, water and electricity saving, green commuting, and eco-friendly dining, so that employees could learn to cultivate environmental awareness and put it into practical action.



## 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.



# Environmental, Social and Governance Report

### 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;
- Regularly inspected pipelines and equipment to avoid resource or energy waste caused by aging or damage of such facilities;
- 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.

## 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 2025, 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.

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.



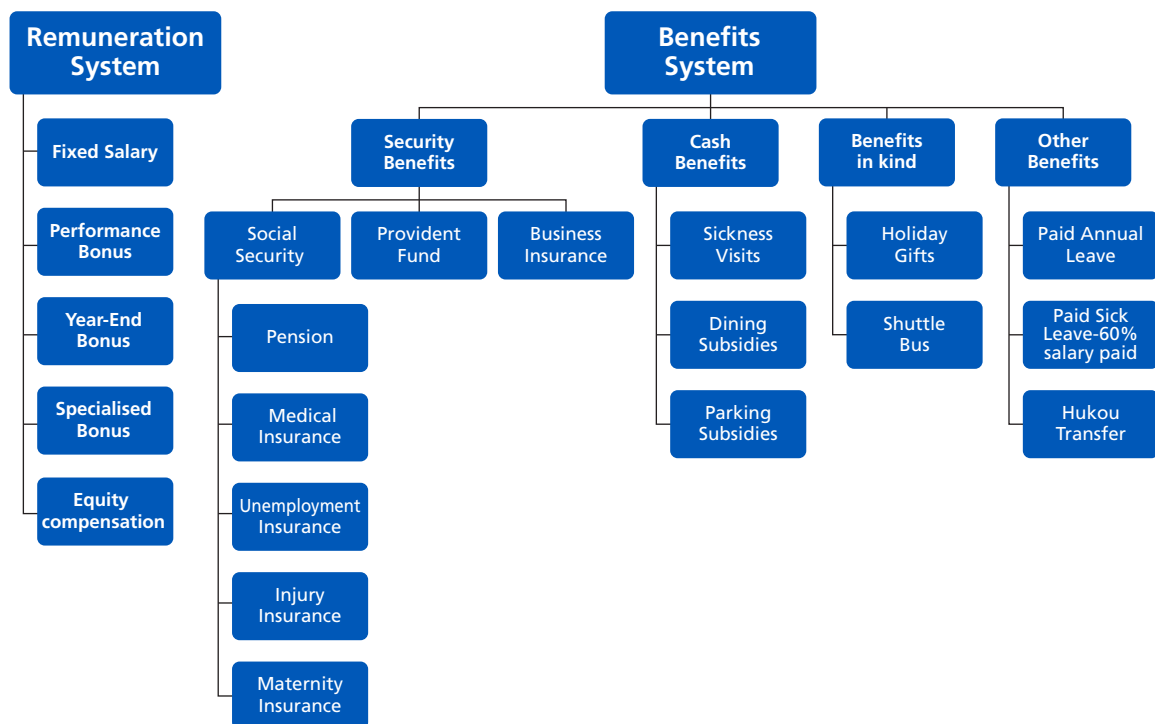
# Environmental, Social and Governance Report

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.

## 2. Remuneration and Benefits

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



### 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.



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## ***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.

## ***Team-building Activities***

The Company regularly organizes team-building activities and incorporates them into a normalized mechanism for employee care and corporate culture development, aiming to enhance emotional communication among employees, strengthen team spirit, and foster a positive, harmonious, and mutually supportive working atmosphere.

### **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.



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The Company has implemented a green office environment policy to create a healthy and clean office environment engaging a professional disinfection and pest control agency to regularly carry out comprehensive disinfection, sterilization, and air conditioning cleaning for the office, thereby improving the quality of the office environment. The office area is covered with plants to reduce the radiation hazards of electronic equipment. 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 2025 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.
- To ensure a closed-loop management process, security personnel conduct regular daily patrols of the office area, closely monitor water and electricity usage, fire protection facilities, and any abnormal behavior of internal and external personnel, and promptly address or report any hidden hazards or issues as they are discovered.

#### **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.



# Environmental, Social and Governance Report

## ***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 has also organized or enrolled its employees in internal and external training sessions and seminars of various forms and contents for different target audiences, so as to enhance employees' professional competence and meet their knowledge and skill needs. Examples have included book sharing sessions, thematic salons, experiential training, Boya Lectures, attendance at external industry summits, and lectures on finance and cutting-edge technology.

## **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 2025, the Company did not have any incidents of child or forced labor.



# Environmental, Social and Governance Report

## 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 2025, the Company has 206 suppliers, in which 107 are Chinese suppliers and 99 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.

## 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 2025, the Company registered a total of 32 software, and obtained 6 registered trademarks.

As an excellent online game development and operation 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.



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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.

The Company places great emphasis on the compliant operation of virtual assets, cryptocurrencies and Web3-related products and services. During the reporting period, the Company continuously monitored the development of relevant laws, regulations and regulatory policies in Hong Kong, including the Securities and Futures Ordinance, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, as well as regulatory requirements such as the Guidelines for Virtual Asset Trading Platform Operators and the Joint Circular on Intermediaries' Virtual Asset-Related Activities issued by the Securities and Futures Commission of Hong Kong (SFC). With respect to virtual assets and Web3-related businesses, the Company has continuously improved its internal compliance systems and review mechanisms, focusing on key areas such as anti-money laundering and counter-terrorist financing, customer due diligence, marketing and information disclosure, risk warnings, data and information security, and investor protection, thereby promoting relevant operations on a legal, compliant and prudent basis. The Company will also continue to follow the regulatory requirements and guidance issued by the SFC, the Hong Kong Monetary Authority, and other relevant regulatory authorities in the field of virtual assets and Web3, and will update its internal policies and compliance measures in a timely manner in light of business development.



# Environmental, Social and Governance Report

## Awards and Qualifications

### 1. Awarded the 2025 “Golden Kungpeng” China Financial Value Ranking – Most Investable Listed Company

On September 26, 2025, the 2025 Global Business Daily Economic Forum and the “Golden Kungpeng” China Financial Value Ranking Awards Ceremony, jointly hosted by the Global Business Daily Alliance and the Hong Kong Commercial Daily, were held in Hong Kong.

Standing out among numerous participating companies, The Company won the “Most Investable Listed Company” award. This award not only recognizes the company’s long-term strategy and development achievements but also demonstrates the capital market’s high affirmation of Boyaa Interactive’s value.



The “Golden Kungpeng” China Financial Value Ranking uses six dimensions as its evaluation criteria: innovation, corporate governance, value, strategic foresight, growth, social responsibility, and sustainable development. After preliminary review, data collection, expert evaluation, and final ranking, it selects industry benchmark companies. Boyaa Interactive’s receipt of this honor confirms the company’s comprehensive strength in strategic transformation, innovative development, and capital market value.



# Environmental, Social and Governance Report

## 2. Awarded the 2025 Listed Companies with Outstanding ESG Value – Listed Companies with Outstanding ESG Investment Value

On January 15, 2026, The Company was awarded the “2025 Listed Companies with Outstanding ESG Investment Value” award, jointly presented by the Hong Kong Commercial Daily, the Global Business Daily Alliance, and the Economic Herald. Winning this award not only represents a strong recognition from professional rating agencies of the Group’s outstanding performance in the environmental, social and governance (ESG) field over the long term, but also fully demonstrates the capital market’s high appreciation of the Company’s sustainability and investment value.



## 3. Awarded the 12th “Hong Kong Top 100” and “Top 50 Small Enterprises” Awards and “Best Web3 Strategy Practice Award”

On January 15, 2026, The Company has been awarded the “Top 50 Small-cap Companies” and the “Best Web3 Strategy Practice Award” at the 12th “Top 100 HK-listed Companies”, organized by the Top 100 HK-listed Companies Research Centre and jointly presented by FINET, ME and Futu Securities. This signifies that the Group’s practices in corporate value creation and strategic transformation have been highly recognized by professional judges and the capital market.





# 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 2025, 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 2025, 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 2025, 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 2025, 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 2025, we hosted 1 training sessions regarding information security awareness, which effectively enhanced our staff awareness and raised players' loyalty to Boyaa games. From 2015 to 2025 for 11 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.



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- 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.



# Environmental, Social and Governance Report

## 9. Community Investment and Volunteer Activities

### Social Responsibilities

As a listed company in Hong Kong, while continuously creating value for society, we also give back to society through concrete actions and faithfully fulfill our corporate social responsibilities.

In the third quarter of 2025, our company donated RMB50,000 to the Beijing Yao Foundation for Public Welfare, which was used to support the youth sports public welfare cause.

In the fourth quarter of 2025, the Company donated HK\$1 million to the “Po Leung Kuk Welfare Fund – Special Account for Supporting Residents Affected by the Wang Fuk Court Fire” to support post-disaster reconstruction in Tai Po, Hong Kong. We have always upheld our social responsibility, hoping to contribute to post-disaster reconstruction and stand together with the affected compatriots to overcome this difficult time.





# Environmental, Social and Governance Report

## APPENDIX

### ESG Key Performance Indicators Table

Environmental indicators		For the year ended December 31			
		2025	2024	2023	
<b>Greenhouse gases</b>	Total greenhouse gas emissions (Scope 1, 2, and 3) (tons of CO <sub>2</sub> equivalent)	<b>1,275.34</b>	356.36	417.15	
	Total greenhouse gas emissions per employee (tons of CO <sub>2</sub> equivalent/employee)	<b>5.88</b>	1.58	1.76	
	Total greenhouse gas emissions per unit area (Scope 1, 2, and 3) (tonnes CO <sub>2</sub> equivalent per square metre)	<b>0.07</b>	0.09	0.1	
	Total greenhouse gas emissions per employee (Scope 1 and 2,) (tons of CO <sub>2</sub> equivalent/ employee)	<b>1.53</b>	1.58	1.76	
	Total greenhouse gas emissions per unit area (Scope 3) (tonnes CO <sub>2</sub> equivalent per square metre)	<b>0.05</b>	–	–	
	Scope 1: Emissions (tons of CO <sub>2</sub> equivalent)	<b>8.61</b>	8.36	16.15	
	Scope 2: Emissions (tons of CO <sub>2</sub> equivalent)	<b>323.81</b>	348	401	
	Scope 3: Emissions (tons of CO <sub>2</sub> equivalent)	<b>942.94</b>	–	–	
	<b>Energy</b>	Total energy consumption (kWh)	<b>409,569</b>	442,544	508,990
		Total energy consumption per employee (kWh/employee)	<b>1,887.41</b>	1,966.86	2,147.64
Direct energy consumption (kWh)		<b>0</b>	0	0	
Gasoline (liters)		<b>0</b>	0	0	
Indirect energy consumption (kWh)		<b>409,569</b>	442,544	508,990	
Directly purchased renewable energy (kWh)		<b>409,569</b>	442,544	508,990	



## Environmental, Social and Governance Report

Environmental indicators		For the year ended December 31		
		2025	2024	2023
<b>Water resources</b>	Water consumption (tons)	<b>11,475</b>	1,920	2,441
	Water consumption per employee (tons/employee)	<b>52.88</b>	8.53	10.29
	Water consumption per unit area (tons/m <sup>2</sup> )	<b>0.63</b>	0.5	0.64
<b>Waste</b>	Hazardous waste disposal volume (tons)	<b>1.1</b>	1.2	1.2
	Waste disposal volume per employee (tons/employee)	<b>0.0051</b>	0.0054	0.0051
	Hazardous waste disposal volume (tons)	<b>0</b>	0	0
	Hazardous waste disposal volume per employee unit (kg/employee)	<b>0</b>	0	0

### Notes:

1. The Group is primarily engaged in online chess and card games and Web3-related game businesses. Its operations do not involve direct industrial emission sources, and greenhouse gas emissions mainly arise from indirect emissions (Scope 2) resulting from the purchase of electricity.
2. This table includes certain non-financial indicators, which are subject to estimation uncertainty due to the nature of such indicators and the inherent limitations of greenhouse gas accounting methodologies. The use of different but equally recognised assessment techniques (including estimation methods) may lead to different results, and the accuracy of different assessment techniques may also vary. As the field of greenhouse gas accounting continues to evolve, the Group will enhance its understanding of the environmental impact of its emissions as more high-quality data become available. The Group will continue to monitor developments in this field and update its assessment and estimation techniques and methodologies as appropriate.
3. The Group has started to collect and disclose its Scope 3 greenhouse gas emissions from 2025. In light of data availability, the Scope 3 emissions currently disclosed cover the following major categories relevant to the Group's operations: business travel, employee commuting and property leasing.
4. The Group's Scope 3 greenhouse gas emissions mainly arise from the operational emissions of leased-out properties of its subsidiaries. In order to scientifically measure emission intensity and enable accurate period on period comparisons, the Group uses the office area and leasable area covered by this report as the unit calculation basis for assessing and analysing its Scope 3 emission performance.
5. The Group completed a property acquisition in the second half of 2024, with part of the property's area designated for external leasing. To comprehensively reflect the Group's resource consumption, starting from the 2025 reporting year, water usage data from the relevant tenants has been included in the statistics and reported.



# Environmental, Social and Governance Report

Employment Performance Indicators		For the year ended December 31		
		2025	2024	2023
<b>Employment Performance</b>	Total number of employees	217	225	237
	Number of employees by gender			
	Male	139	149	148
	Female	78	76	89
	Number of employees by age group			
	Under 25	9	7	9
	25 to 30	47	60	64
	30 to 40	134	136	148
	40 to 50	27	19	16
	Over 50	0	0	0
	Number of employees by employment type			
	Permanent employees	205	220	233
	Other categories	12	2	4
	Number of employees by geographic region			
	China (including Hong Kong and Macao)	205	210	224
Overseas (Thailand, Indonesia and Spain, etc.)	12	12	13	
<b>Employee Turnover</b>	Total turnover rate	26%	20%	21%
	Employee turnover rate by gender			
	Male	68%	72%	31%
	Female	32%	28%	69%
	Employee turnover rate by age group			
	Under 25	5%	6%	5%
	25 to 30	33%	33%	33%
	30 to 40	58%	57%	49%
	40 to 50	4%	4%	13%
	Over 50	0	–	–
	Employee turnover rate by employment type			
	Permanent employees	4%	100%	100%
	Other categories	96%	–	–
	Employee turnover rate by geographic region			
	China (including Hong Kong and Macao)	86%	100%	99%
Overseas (Thailand, Indonesia and Spain, etc.)	12%	0	1%	



## Environmental, Social and Governance Report

Indicators	For the year ended December 31			
	2025	2024	2023	
<b>Health and Safety</b>	Work-related deaths	0	0	0
	Work-related death rate (number of deaths/million work hours)	0	0	0
	Work-related injuries	0	0	0
	Work-related injury rate (number of injuries/million work hours)	0	0	0
	Workdays lost due to work-related injuries	0	0	0
<b>Training and Developments</b>	Percentage of trained employees by gender			
	Male	66%	75%	74%
	Female	34%	25%	26%
	Percentage of trained employees by management level			
	Management	32%	42%	11%
	Non-management	68%	58%	89%
	Average training hours by gender			
	Male	2.8	3.1	4.3
	Female	2.5	2.3	3.8
Average training hours by management level				
Management	3.1	2.6	3.7	
Non-management	2.6	2.8	3.5	

### Diversity

Indicators	2025	
	Female	Male
Gender ratio by employee category		
Management	40%	60%
Non-management	22%	78%

Rate of employees by age group	2025				
	Under 25	25 to 29	30 to 39	40 to 49	Over 50
Management	0	0	80%	20%	0
Non-management	5%	21%	62%	12%	0



# Environmental, Social and Governance Report

## ESG Reporting Indicators Index

### Report Indicator Index

Chapter	Hong Kong Stock Exchange Environmental, Social and Governance Reporting Code	TCFD
<b>Introduction</b>		
Purpose of the Report		
Basis of Report preparation		
Reporting scope	Part B: Reporting scope	
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ESG governance framework	Part B: Governance Structure	Governance-(a)(b)
Stakeholder engagement		
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<b>Climate-related risks and opportunities</b>		
Governance	Part D: Governance	Governance-(a)(b)
Strategy	Part D: Strategy	Strategy-(a)(b)(c)
Risk management	Part D: Risk management	Risk management-(a)(b)(c)
Metrics and targets	Part D: Metrics and targets	Metrics and targets-(a)(b)(c)
<b>Environment</b>		
<b>Society</b>		
Employment and labor practices	Part C: B1	
Remuneration and Benefits	Part C: B1	
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Development and training	Part C: B3	
Labor standards	Part C: B4	
Supply chain management	Part C: B5	
Product liability	Part C: B6	
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Community investment and volunteer activities	Part C: B8	
<b>Appendix</b>		
ESG Key Performance Indicators	Part C: A1.1,A1.2,A1.3,A1.4,A2.1,A2.2,B1.1,B1.2,B2.1,B2.2,B3.1,B3.2	
ESG Reporting Metrics Index		



# 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 154 to 232, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, 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**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# 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 2025 of HKD442,761,000 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 HKD97,009,000 as at 31 December 2025 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, 15 March 2026



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

For the year ended 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000 (Restated) (Note 1)
<b>Revenue</b>	8	<b>467,667</b>	500,870
Cost of revenue		<b>(139,266)</b>	(136,759)
<b>Gross profit</b>		<b>328,401</b>	364,111
Other (losses)/gains, net	9	<b>(398,121)</b>	922,058
Selling and marketing expenses		<b>(46,428)</b>	(44,461)
Administrative expenses		<b>(167,270)</b>	(114,614)
<b>Operating (loss)/profit</b>		<b>(283,418)</b>	1,127,094
Finance income	10	<b>4,462</b>	17,733
Finance costs	11	<b>(1,231)</b>	(1,181)
Share of (losses)/gains of associates	22	<b>(63)</b>	355
<b>(Loss)/profit before income tax</b>		<b>(280,250)</b>	1,144,001
Income tax credit/(expense)	12	<b>41,624</b>	(175,121)
<b>(Loss)/profit for the year attributable to owners of the Company</b>	13	<b>(238,626)</b>	968,880
<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		–	1,048
<i>Item that may be reclassified to profit or loss:</i>			
Realisation of foreign currency translation reserves from disposal of subsidiaries		<b>(20,395)</b>	–
Realisation of foreign currency translation reserves from deregistration of a subsidiary		<b>(13)</b>	–
Exchange differences on translating foreign operations		<b>112,347</b>	(58,079)
<b>Other comprehensive income/(expenses) for the year, net of tax</b>		<b>91,939</b>	(57,031)
<b>Total comprehensive (expenses)/income for the year attributable to owners of the Company</b>		<b>(146,687)</b>	911,849
<b>(Losses)/earnings per share (HKD cents)</b>	16		
– Basic		<b>(34.53)</b>	145.92
– Diluted		<b>(34.53)</b>	144.37



# Consolidated Statement of Financial Position

As at 31 December 2025

		<b>31 December 2025</b>	31 December 2024	1 January 2024
	Notes	<b>HKD'000</b>	HKD'000 (Restated) (Note 1)	HKD'000 (Restated) (Note 1)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	17	<b>12,735</b>	16,214	26,792
Right-of-use assets	18	<b>57,091</b>	13,436	13,040
Investment properties	19	<b>61,776</b>	63,257	–
Intangible assets	20	<b>353</b>	362	1,825
Investments in associates	22	–	4,221	3,956
Equity investments at fair value through other comprehensive income	23	–	–	11,549
Investments at fair value through profit or loss	24	<b>95,236</b>	96,447	84,848
Prepayments, deposits and other receivables	27	<b>6,339</b>	18,929	15,323
Deferred tax assets	33	–	567	600
Term deposits	28	–	194,382	255
		<b>233,530</b>	407,815	158,188
<b>Current assets</b>				
Digital assets	25	<b>2,917,658</b>	2,548,592	86,733
Trade receivables	26	<b>26,242</b>	26,225	32,409
Prepayments, deposits and other receivables	27	<b>44,343</b>	47,218	76,541
Investments at fair value through profit or loss	24	<b>1,773</b>	–	145,233
Term deposits	28	<b>68,632</b>	31,810	807,933
Bank and cash balances	28	<b>62,125</b>	138,656	821,278
		<b>3,120,773</b>	2,792,501	1,970,127
<b>Total assets</b>		<b>3,354,303</b>	3,200,316	2,128,315



# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	31 December 2025 HKD'000	31 December 2024 HKD'000 (Restated) (Note 1)	1 January 2024 HKD'000 (Restated) (Note 1)
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	34	301	278	278
Reserves	36	2,886,871	2,659,202	1,764,006
<b>Total equity</b>		<b>2,887,172</b>	2,659,480	1,764,284
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	32	7,897	10,323	9,721
Deferred tax liabilities	33	94,999	159,202	989
		<b>102,896</b>	169,525	10,710
<b>Current liabilities</b>				
Trade payables	29	906	1,064	799
Accruals and other payables	30	38,016	91,551	80,411
Contract liabilities	31	11,797	13,770	12,105
Lease liabilities	32	4,157	3,653	3,938
Current tax liabilities		309,359	261,273	256,068
		<b>364,235</b>	371,311	353,321
<b>Total liabilities</b>		<b>467,131</b>	540,836	364,031
<b>Total equity and liabilities</b>		<b>3,354,303</b>	3,200,316	2,128,315
<b>Net current assets</b>		<b>2,756,538</b>	2,421,190	1,616,806
<b>Total assets less current liabilities</b>		<b>2,990,068</b>	2,829,005	1,774,994

The consolidated financial statements on pages 154 to 232 were approved and authorised for issue by the Board of Directors on 15 March 2026 and signed on its behalf by:

**Tao Ying**  
Director

**Dai Zhikang**  
Director



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Shares capital HKD'000	Share premium HKD'000	Repurchased shares HKD'000	Shares held for RSU scheme HKD'000	Capital reserve HKD'000	Foreign currency translation reserve HKD'000	Statutory reserve HKD'000	Share-based payments reserve HKD'000	Other reserve HKD'000	Retained profits HKD'000	Total HKD'000
At 1 January 2024, as restated	278	411,643	-	(15)	2,207	8,583	37,508	93,354	(278,295)	1,489,021	1,764,284
Total comprehensive (expenses)/ income for the year, as restated	-	-	-	-	-	(58,079)	-	-	1,048	968,880	911,849
Issue of shares upon exercise of share options, as restated (Note 34)	1	18,117	-	-	-	-	-	(5,524)	-	-	12,594
Repurchase of ordinary shares, as restated (Note 34)	-	-	(5,636)	-	-	-	-	-	-	-	(5,636)
Cancellation of ordinary shares, as restated (Note 34)	(1)	(5,635)	5,636	-	-	-	-	-	-	-	-
Share-based payments, as restated	-	-	-	-	-	-	-	-	-	-	-
- exercise of RSUs, as restated	-	32,129	-	-	-	-	-	(32,129)	-	-	-
- value of employee services, as restated	-	-	-	-	-	-	-	2,798	-	-	2,798
Dividends, as restated	-	(26,409)	-	-	-	-	-	-	-	-	(26,409)
Changes in equity for the year, as restated	-	18,202	-	-	-	(58,079)	-	(34,855)	1,048	968,880	895,196
At 31 December 2024, as restated	278	429,845	-	(15)	2,207	(49,496)	37,508	58,499	(277,247)	2,457,901	2,659,480
At 1 January 2025	278	429,845	-	(15)	2,207	(49,496)	37,508	58,499	(277,247)	2,457,901	2,659,480
Total comprehensive (expenses)/ income for the year	-	-	-	-	-	91,939	-	-	-	(238,626)	(146,687)
Disposals of subsidiaries	-	-	-	-	(2,207)	-	(5,518)	-	232,047	(224,322)	-
Transfer to statutory reserve	-	-	-	-	-	-	13,890	-	-	(13,890)	-
Issue of shares upon exercise of share options (Note 34)	-	3,666	-	-	-	-	-	(1,118)	-	-	2,548
Placement of shares (Note 34)	23	411,810	-	-	-	-	-	-	-	-	411,833
Repurchase of ordinary shares (Note 34)	-	-	(10,945)	-	-	-	-	-	-	-	(10,945)
Share-based payments	-	-	-	-	-	-	-	-	-	-	-
- exercise of RSUs	-	34,884	-	2	-	-	-	(34,886)	-	-	-
- value of employee services	-	-	-	-	-	-	-	46,545	-	-	46,545
Dividends	-	(75,602)	-	-	-	-	-	-	-	-	(75,602)
Changes in equity for the year	23	374,758	(10,945)	2	(2,207)	91,939	8,372	10,541	232,047	(476,838)	227,692
At 31 December 2025	301	804,603	(10,945)	(13)	-	42,443	45,880	69,040	(45,200)	1,981,063	2,887,172



## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HKD'000	2024 HKD'000 (Restated) (Note 1)
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax	<b>(280,250)</b>	1,144,001
Adjustments for:		
Finance costs	<b>1,231</b>	1,181
Share of losses/(gains) of associates	<b>63</b>	(355)
Interest income	<b>(4,462)</b>	(17,733)
Depreciation	<b>11,592</b>	8,979
Amortisation of intangible assets	<b>540</b>	923
Gain on disposals of subsidiaries	<b>(28,342)</b>	–
Gain on deregistration of a subsidiary	<b>(13)</b>	–
Loss on disposals of property, plant and equipment	<b>955</b>	1,829
Loss on disposals of intangible assets	<b>–</b>	523
Net foreign exchange losses	<b>4,616</b>	2,687
Share-based payments	<b>46,545</b>	2,798
Digital assets value-added gain	<b>(21,680)</b>	(56,169)
Fair value losses/(gains) on digital assets	<b>411,150</b>	(947,960)
Fair value losses on investments at fair value through profit or loss	<b>15,171</b>	52,536
Dividends from investments at fair value through profit or loss	<b>(10,105)</b>	(31,112)
Provision/(reversal) of loss allowance for trade receivables	<b>174</b>	(49)
Gain on early termination of the lease agreement	<b>–</b>	(1,006)
Provision/(reversal) of loss allowance for prepayment, deposits and other receivables	<b>1,513</b>	(198)
Operating profit before changes in working capital	<b>148,698</b>	160,875
Change in trade receivables	<b>(80,509)</b>	5,490
Change in prepayments, deposits and other receivables	<b>25,763</b>	12,056
Change in trade payables	<b>(42)</b>	265
Change in accruals and other payables	<b>(16,170)</b>	13,082
Change in contract liabilities	<b>718</b>	(921)
Cash generated from operating activities	<b>78,458</b>	190,847
Income tax paid	<b>(14,407)</b>	(9,367)
Lease interests paid	<b>(717)</b>	(1,181)
<b>Net cash generated from operating activities</b>	<b>63,334</b>	180,299



# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HKD'000	2024 HKD'000 (Restated) (Note 1)
<b>Cash flows from investing activities</b>		
Placement of term deposits with original maturities over three months	(211,126)	(578,397)
Proceeds from maturity of term deposits with original maturities over three months	370,920	1,149,430
Interest received	4,396	38,339
Proceeds from disposals of subsidiaries	2,569	–
Dividends from investments at fair value through profit or loss	9,602	31,112
Purchases of investments at fair value through profit or loss	(43,801)	(20,757)
Proceeds from settlements of investments at fair value through profit or loss	32,798	146,003
Proceeds from disposal of equity investments through other comprehensive income	–	12,513
Purchases of digital assets	(592,056)	(1,508,488)
Purchases of intangible assets	(522)	–
Purchases of property, plant and equipment	(1,026)	(10,885)
Purchases of right-of-use assets	(38,867)	–
Purchases of investment properties	–	(64,215)
Proceeds from disposals of property, plant and equipment	114	(9,427)
<b>Net cash used in investing activities</b>	<b>(466,999)</b>	<b>(814,772)</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(3,805)	(4,946)
Dividends	(75,602)	(26,409)
Repurchase of ordinary shares	(10,945)	(5,636)
Proceeds from exercise of share options	4,677	–
Proceeds from issue of shares	411,833	–
<b>Net cash generated from/(used in) financing activities</b>	<b>326,158</b>	<b>(36,991)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(77,507)</b>	<b>(671,464)</b>
Effect of foreign exchange rate changes	976	(11,158)
Cash and cash equivalents at beginning of the year	138,656	821,278
<b>Cash and cash equivalents at end of the year</b>	<b>62,125</b>	<b>138,656</b>
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	62,125	138,656



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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 headquarter 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.

### *Change of presentation currency*

The Company’s functional currency is United States dollars (“**USD**”) since majority of the activities of the Company are conducted in USD. In prior years, Renminbi (“**RMB**”) was used as the presentation currency of the the Company and its subsidiaries’ (collectively referred to as the “**Group**”) consolidated financial statements. During the period, the directors of the Company (the “**Directors**”) has decided to adopt Hong Kong dollars (“**HKD**”) as the presentation currency for the consolidated financial statements of the Group. Having considered that the Company’s shares are listed on the Stock Exchange and are traded in HKD, the Directors believe that the change of presentation currency will enable the shareholders and potential investors of the Company to have a more accurate understanding of the Group’s financial performance. As such, the Directors believes that it is more appropriate to adopt HKD as its presentation currency for the consolidated financial statements of the Group.

The change in presentation currency of the Group was applied retrospectively, as if the new presentation currency had always been applied. The Group has also presented the consolidated statement of financial position as at 1 January 2024 without related notes. The retrospective change of the presentation currency of the Group has had no material effects on the financial positions of the Group as at 31 December 2024 and 1 January 2024 and its financial performance for the year ended 31 December 2024.

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

In the current year, 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 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); 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 year and prior 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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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.

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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *Associates (Continued)*

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.

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 HKD, which is the Company's presentation currency. The functional currency of the Company is USD. The directors consider that choosing HKD as the presentation currency best suits the needs of the shareholders and investors.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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 2025

## 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
Leasehold improvements	Over the shorter of 3 years or remaining terms of the lease
Motor vehicles	4 years
Furniture and equipment	3 – 5 years

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 2025

## 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:

Land	30 years
Buildings	3-5 years
Equipment	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 USD5,000 (equivalent to HKD39,000).

### *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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### ***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.

### ***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 consolidated 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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *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.

#### **(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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *Financial assets (Continued)*

#### **(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.

#### ***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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *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.

### *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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *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**

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.

#### **(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. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("**MPF Scheme**") for its eligible employees in Hong Kong. The contributions to the MPF Scheme borne by the Group are calculated at 5% of the salaries and wages (monthly contributions is limited to HKD1,500 for each eligible employee) as calculated under the MPF legislation. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds. The Group's contributions to the defined contribution plans are expensed as incurred.

#### **(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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *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.

### *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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### ***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.

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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### ***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 production 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 2025

## 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.

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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *Impairment of assets (Continued)*

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 2025

## 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 2025

## 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.

On 30 June 2025, the Group has completed the disposal of its 100% equity interest in a wholly-owned subsidiary, Shenzhen Dong Fang Bo Ya Technology Co., Limited, please refer to note 38(b) to the consolidated financial statements for details.

#### **(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 nil (2024: nil). Details please refer to note 24(ii) to the consolidated financial statements.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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 2025

## 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 HKD 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

#### **Exposure**

Digital assets that the Group mainly deals within its business activities are digital assets such as Bitcoin ("BTC"), Tether USD ("USDT"), Ethereum ("ETH"), Binance Coin ("BNB") etc. which can be traded in a number of public exchanges.

The Group's exposure to price risk arises from digital assets which are measured on fair value basis. In particular, the Group's operating result may depend upon the market price of BTC, ETH and BNB, as well as other digital assets. Digital asset prices have fluctuated significantly from time to time. There is no assurance that digital asset prices will reflect historical trends.

To manage its price risk arising from investment in digital assets, the level of digital assets holdings by the Group is determined based on volatility, position holding, market capitalization and liquidity, as reviewed by the senior management periodically.

As disclosed in note 25 to the consolidated financial statements, the Group has digital assets of HKD2,917,658,000 (2024: HKD2,548,592,000) and 4% (2024: 5%) of the balances are stablecoins, which are asset-backed with fair values approximate USD1 per unit with limited price risk.

#### **Sensitivity**

At 31 December 2025, if the prices of digital assets held by the Group had increased/decreased by 10% (2024: 10%) in the principal markets with other variables held constant, the profit/loss before income tax arising from changes in fair values of the digital assets (excluding stablecoins) would increased/decreased by HKD281,291,000 (2024: HKD240,955,000).



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *(c) Credit risk*

The carrying amount of the investments in wealth management products, trade and other receivables, term deposits and bank and cash balances and 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 investments in wealth management products, term deposits and bank and cash balances and are limited because the counterparties are reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions.

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 2025, the management of the Group considered the expected credit loss for these other receivables was insignificant.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

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

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.

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.

<b>Category</b>	<b>Definition</b>	<b>Loss provision</b>
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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

### *(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:

	<b>Less than 1 year HKD'000</b>	<b>Between 1 and 2 years HKD'000</b>	<b>Between 2 and 5 years HKD'000</b>
<b>At 31 December 2025</b>			
Trade payables	906	–	–
Accruals and other payables	19,849		
Lease liabilities	4,711	6,210	2,183
	<b>25,466</b>	<b>6,210</b>	<b>2,183</b>
<b>At 31 December 2024</b>			
Trade payables, as restated	1,064	–	–
Accruals and other payables, as restated	43,757	–	–
Lease liabilities, as restated	4,150	3,468	8,048
	48,971	3,468	8,048

### *(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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

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

	2025 HKD'000	2024 HKD'000 (Restated)
<b>Financial assets:</b>		
Investments at fair value through profit or loss:		
– Mandatorily measured	97,009	96,447
Equity investments at fair value through other comprehensive income	–	–
Financial assets at amortised cost (including cash and cash equivalents)	195,186	440,898
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	20,755	44,821

### *(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.

## 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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FAIR VALUE MEASUREMENTS (Continued)

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

Description	Fair value measurements using:			Total
	Level 1 HKD'000	Level 2 HKD'000	Level 3 HKD'000	2025 HKD'000
<b>Recurring fair value measurements:</b>				
Digital assets				
– Cryptocurrencies and stablecoins	2,917,658	–	–	2,917,658
	2,917,658	–	–	2,917,658
Investments at fair value through profit or loss				
– Equity investment partnerships	–	–	95,236	95,236
– Wealth management products	–	–	1,773	1,773
	–	–	97,009	97,009
<b>Total recurring fair value measurements</b>	<b>2,917,658</b>	<b>–</b>	<b>97,009</b>	<b>3,014,667</b>

Description	Fair value measurements using:			Total
	Level 1 HKD'000 (Restated)	Level 2 HKD'000 (Restated)	Level 3 HKD'000 (Restated)	2024 HKD'000 (Restated)
<b>Recurring fair value measurements:</b>				
Digital assets				
– Cryptocurrencies and stablecoins	2,548,592	–	–	2,548,592
Investments at fair value through profit or loss	2,548,592	–	–	2,548,592
– Equity investment partnerships	–	–	96,447	96,447
	–	–	96,447	96,447
<b>Total recurring fair value measurements</b>	<b>2,548,592</b>	<b>–</b>	<b>96,447</b>	<b>2,645,039</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FAIR VALUE MEASUREMENTS (Continued)

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

Description	Investments at fair value through profit or loss HKD'000
At 1 January 2025	96,447
Total gains or losses recognised in profit or loss (#)	(15,171)
Purchases	43,801
Settlements	(33,009)
Transferred from investments in associates	4,233
Currency translation differences	708
At 31 December 2025	97,009
(#) Include gains or losses for assets held at end of reporting period (unrealised gains/losses)	(15,816)

Description	Investments at fair value through profit or loss HKD'000 (Restated)	Equity Investments at fair value through other comprehensive income HKD'000 (Restated)	Total HKD'000 (Restated)
At 1 January 2024	230,081	6	230,087
Total gains or losses recognised in profit or loss (#)	(52,536)	–	(52,536)
in other comprehensive income	–	(6)	(6)
Purchases	71,933	–	71,933
Settlements	(146,003)	–	(146,003)
Currency translation differences	(7,028)	–	(7,028)
At 31 December 2024	96,447	–	96,447
(#) Include gains or losses for assets held at end of reporting period (unrealised gains/losses)	(31,252)	–	(31,252)



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FAIR VALUE MEASUREMENTS *(Continued)*

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

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 (losses)/gain, 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 2025:***

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 2025

## 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 2025: (Continued)

#### Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2025 HKD'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	15.60%	Decrease	<b>55,097</b>
	Discount cash flows model	Discount rate	16.00%-25.00%	Decrease	–
		Growth rate	3.00%	Increase	
	Share of net assets	N/A	N/A	N/A	<b>40,139</b>
Wealth management products	Discount cash flows model	Estimated return	1.46%	Increase	<b>1,773</b>
<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 2025

## 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 2025: (Continued)

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

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2024 HKD'000 (Restated)
<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	80,145
	Discount cash flows model	Discount rate	16.00%-25.00%	Decrease	–
		Growth rate	3.00%	Increase	
	Share of net assets	N/A	N/A	N/A	16,302
<i>Equity investments at fair value through other comprehensive income</i>					
Unlisted equity investments	Share of net assets	N/A	N/A	N/A	–

In respect of investments of carrying amount of approximately HKD15,968,000 as at 31 December 2024, their valuation technique was changed during the year from “Market approach” to “Share of net assets” as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference and “Share of net assets” is a more appropriate approach due to the Group focuses on the investee’s net asset value.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Directors reviews the overall results and financial position of the Group, which are prepared based on the same accounting policies.

The Group has three (2024: 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

Property investment business – engaged in investments of properties for rental income and capital appreciation in the PRC

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:**

	Online game related business HKD'000	Web3 related business HKD'000	Property investment business HKD'000	Total HKD'000
<b>For the year ended 31 December 2025</b>				
Segment revenue				
Revenue from external customers	442,761	21,680	3,226	467,667
Segment results	128,222	(391,001)	(1,069)	(263,848)
Reconciliation:				
Unallocated losses				(15,171)
Finance cost				(1,231)
<b>Loss before income tax</b>				<b>(280,250)</b>

	Online game related business HKD'000 (Restated)	Web3 related business HKD'000 (Restated)	Total HKD'000 (Restated)
<b>For the year ended 31 December 2024</b>			
Segment revenue			
Revenue from external customers	444,701	56,169	500,870
Segment results	169,183	1,028,535	1,197,718
Reconciliation:			
Unallocated losses			(52,536)
Finance cost			(1,181)
<b>Profit before income tax</b>			<b>1,144,001</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION (Continued)

*Information about reportable segment profits or losses, assets and liabilities: (Continued)*

	Online game related HKD'000	Web3 related business HKD'000	Property investment HKD'000	Total HKD'000
<i>For the year ended 31 December 2025</i>				
Segment assets	163,913	3,010,801	133,729	3,308,443
Reconciliation: Corporate and other unallocated assets				45,860
				3,354,303
Segment liabilities	379,371	86,215	1,545	467,131
Reconciliation: Corporate and other unallocated liabilities				-
				467,131

	Online game related business HKD'000 (Restated)	Web3 related business HKD'000 (Restated)	Total HKD'000 (Restated)
<i>For the year ended 31 December 2024</i>			
Segment assets	631,906	2,568,410	3,200,316
Segment liabilities	373,445	167,391	540,836

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, deposits and other receivables and term deposits were located as follows:

	2025 HKD'000	2024 HKD'000 (Restated)
Mainland China	75,684	87,264
Other locations	56,271	17,114
	131,955	104,378



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 8. REVENUE

	2025 HKD'000	2024 HKD'000 (Restated)
Web-based games	116,810	127,281
Mobile games	325,951	317,420
Building management service	570	–
Revenue from contracts with customers	443,331	444,701
Revenue from other sources:		
Digital assets value-added gain	21,680	56,169
Rental income	2,656	–
<b>Total revenue</b>	<b>467,667</b>	<b>500,870</b>

### Disaggregation of revenue from contracts with customers:

#### *Timing of revenue recognition*

	2025 HKD'000	2024 HKD'000 (Restated)
At a point of time	442,761	444,701
Over time	570	–
	<b>443,331</b>	<b>444,701</b>

The building management service is rendered in the PRC.

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 Hong Kong.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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, sales of prepaid game cards 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, sales of prepaid game cards or other virtual items are initially recorded as service fees prepaid by game players and included in contract liabilities. 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 2025

## 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.

### *Building management service*

The Group provides building management service to the customers. Revenue from building management service is recognised when the building management service is rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the service.

The Group did not grant any credit terms to its customers.

No revenue is derived from any individual game player/customers which amounted for over 10% of the Group's total revenue (2024: nil).



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 9. OTHER (LOSSES)/GAINS, NET

	2025 HKD'000	2024 HKD'000 (Restated)
Dividends from investments at fair value through profit or loss	10,105	31,112
Loss on disposals of property, plant and equipment	(955)	(1,829)
Loss on disposals of intangible assets	–	(523)
Gain on disposals of subsidiaries	28,342	–
Gain on deregistration of a subsidiary	13	–
Government subsidies and tax rebates (Note a)	70	786
Net foreign exchange losses	(4,616)	(2,687)
Fair value changes on digital assets	(411,150)	947,960
Fair value changes on investments at fair value through profit or loss	(15,171)	(52,536)
Donation	(1,055)	–
Gain on early termination of the lease agreement	–	1,006
Others	(3,704)	(1,231)
	<b>(398,121)</b>	922,058

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.

## 10. FINANCE INCOME

	2025 HKD'000	2024 HKD'000 (Restated)
Interest revenue	3,714	16,617
Interest revenue on loans to employees	748	1,116
	<b>4,462</b>	17,733



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 11. FINANCE COSTS

	2025 HKD'000	2024 HKD'000 (Restated)
Discounting effects of loans to employees	514	–
Lease interests	717	1,181
	<b>1,231</b>	1,181

## 12. INCOME TAX (CREDIT)/EXPENSE

	2025 HKD'000	2024 HKD'000 (Restated)
Current tax		
– Enterprise Income Tax (“EIT”) and other jurisdictions	20,067	14,033
– Withholding tax	10,775	–
Deferred tax (Note 33)	(72,466)	161,088
	<b>(41,624)</b>	175,121

### (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 2025 and 2024, 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 2025 and as a result, Boyaa On-line Game Development (Shenzhen) Co., Limited enjoy a preferential tax rate of 15% from 1 January 2025 to 31 December 2027. Therefore, the applicable tax rate for Boyaa On-line Game Development (Shenzhen) Co., Limited was 15% (2024: 15%) for the year ended 31 December 2025.

Shenzhen Intelligent Innovation Technology Co., Limited was accredited as “Software Enterprise” under the 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 and followed by 50% reduction in the applicable tax rates for the next three years from 1 January 2025 to 31 December 2027. Therefore, the applicable tax rate for Shenzhen Intelligent Innovation Technology Co., Limited was 12.5% for the year ended 31 December 2025 (2024: 0%).



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 12. INCOME TAX (CREDIT)/EXPENSE (Continued)

### (a) EIT (Continued)

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% (2024: 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**”). Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Intelligent Innovation Technology Co., Limited (2024: Shenzhen Dong Fang Bo Ya Technology Co., Limited and Boyaa On-line Game Development (Shenzhen) Co., Limited) had claimed such Super Deduction in ascertaining its tax assessable profits for the year ended 31 December 2025.

### (b) 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%.

During the year ended 31 December 2025, a wholly-owned subsidiary of the Group incorporated in the PRC had declared dividend amounted to RMB100,000,000 in aggregate to the subsidiary of the Group incorporated in Hong Kong. Such dividend is subjected to the withholding tax at 10%. Income tax of HKD10,775,000 (equivalent to RMB10,000,000), in relation to withholding tax had been recognised for the year ended 31 December 2025.

As at 31 December 2025, 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 HKD124,368,000 (2024: HKD441,369,000 (restated)). 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 HKD2 million of profits of qualifying group entity will be taxed at 8.25%, and profits above HKD2 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 2025 and 2024.

### (e) Macau Profits Tax

Macau Profits Tax has been provided at the rate of 12% on assessable profits for the year ended 31 December 2025 with exemption allowance for profits tax assessment of MOP\$600,000.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 12. INCOME TAX (CREDIT)/EXPENSE (Continued)

The reconciliation between the income tax (credit)/expense and the product of (loss)/profit before income tax multiplied by the EIT rate of the consolidated companies is as follows:

	2025 HKD'000	2024 HKD'000 (Restated)
(Loss)/profit before income tax	<b>(280,250)</b>	1,144,001
Less: share of losses/(gains) of associates	<b>63</b>	(355)
	<b>(280,187)</b>	1,143,646
Tax at EIT rate of 25% (2024: 25%)	<b>(70,047)</b>	285,912
Tax effect of incomes that are not taxable	<b>(9,301)</b>	(4,852)
Tax effect of expenses that are not deductible	<b>18,566</b>	9,654
Tax effect of utilisation of tax losses not previously recognised	<b>(3,265)</b>	(10,812)
Over-provision in prior years	–	(2)
Tax losses not recognised	<b>1</b>	2,759
Super Deduction	<b>(6,979)</b>	(19,318)
Effect of different tax rates of subsidiaries	<b>18,626</b>	(87,186)
Withholding tax	<b>10,775</b>	–
Others	–	(1,034)
Income tax (credit)/expense	<b>(41,624)</b>	175,121



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	2025 HKD'000	2024 HKD'000 (Restated)
Amortisation of intangible assets – included in administrative expenses	540	923
	<b>540</b>	923
Depreciation	11,592	8,979
Directors' emoluments (Note 14)		
– Fee	942	941
– Salaries, allowances and bonuses	633	658
– Retirement benefit scheme contributions	8	15
– Share-based payments	808	960
	<b>2,391</b>	2,574
Research and development expenditure		
– included in staff costs	81,797	59,814
– included in depreciation	652	519
– included in other administrative expenses	10,779	3,128
	<b>93,228</b>	63,461
Auditor's remuneration		
– Annual audit services	2,180	2,230
– Other services	1,240	600
	<b>3,420</b>	2,830
Provision/(reversal) of loss allowance for trade receivables	174	(49)
Provision/(reversal) of loss allowance for prepayment, deposits and other receivables	1,513	(198)
Staff costs including directors' emoluments		
– Salaries, allowances and bonuses	71,327	80,838
– Retirement benefit scheme contributions	3,197	4,808
– Share-based payments	46,545	2,798
	<b>121,069</b>	88,444



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 14. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

### (a) Directors' and chief executive officer's (CEO) emoluments

The remuneration of the Directors and the CEO (who are the Group's senior management) for the year, disclosed pursuant to the applicable Listing Rules, is as follows:

Name of directors and CEO	2025				
	Fees HKD'000	Salaries, allowances and benefits HKD'000	Retirement benefit scheme contributions HKD'000	Share-based payments HKD'000	Total HKD'000
<i>Executive directors:</i>					
Mr. Dai Zhikang	-	-	-	-	-
Ms. Tao Ying (CEO)	-	633	8	808	1,449
<i>Independent non-executive directors:</i>					
Mr. Cheung Ngai Lam	400	-	-	-	400
Mr. Choi Hon Keung Simon	350	-	-	-	350
Mr. Ma Jingchun (Note (i))	89	-	-	-	89
Mr. Lim Jun Kit Marco (Note (iii))	103	-	-	-	103
	942	633	8	808	2,391



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 14. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (a) Directors' and chief executive officer's (CEO) emoluments (Continued)

Name of directors and CEO	2024				
	Fees HKD'000 (Restated)	Salaries, allowances and benefits HKD'000 (Restated)	Retirement benefit scheme contributions HKD'000 (Restated)	Share-based payments HKD'000 (Restated)	Total HKD'000 (Restated)
Executive directors:					
Mr. Dai Zhikang	-	-	-	-	-
Ms. Tao Ying (CEO)	-	658	15	960	1,633
Independent non-executive directors:					
Mr. Cheung Ngai Lam	400	-	-	-	400
Mr. Choi Hon Keung Simon	350	-	-	-	350
Mr. Ma Jingchun (Note (i))	116	-	-	-	116
Mr. Kong Fanwei (Note (ii))	75	-	-	-	75
	941	658	15	960	2,574

*Notes:*

- (i) Mr. Ma Jingchun was appointed as an independent non-executive director on 19 April 2024 and resigned on 4 August 2025.
- (ii) Mr. Kong Fanwei was retired as an independent non-executive director on 19 April 2024.
- (iii) Mr. Lim Jun Kit Marco was appointed as an independent non-executive director on 4 August 2025.

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 14. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (b) Five highest paid employees

The five highest paid employees of the Group during the year included 0 (2024: 1) director or CEO whose remuneration are set out in note 14(a) above. Details of the remuneration for the year of the remaining 5 (2024: 4) highest paid employees who are neither a director nor CEO of the Company are as follows:

	2025 HKD'000	2024 HKD'000 (Restated)
Salaries, allowances and bonuses	2,649	2,468
Retirement benefit scheme contributions	48	59
Share-based payments	9,681	–
	<b>12,378</b>	<b>2,527</b>

The number of the highest paid employees who are not the Directors or CEO and whose remuneration falls within the following bands:

	Number of individuals	
	2025	2024
Nil to HKD1,000,000	–	4
HKD2,000,001 to HKD2,500,000	4	–
HKD2,500,001 to HKD3,000,000	1	–
	<b>5</b>	<b>4</b>

During the year, no emoluments were paid by the Group to any of the directors, CEO or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 15. DIVIDEND

A final dividend in respect of the year ended 31 December 2025 of HKD0.0366 per ordinary share, amounting to total dividend of approximately HKD28,102,000, was proposed pursuant to a resolution passed by the Board on 15 March 2026 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 2024 of HKD0.1064 per ordinary share, amounting to total dividend of approximately HKD75,602,000, was proposed pursuant to a resolution passed by the Board on 5 March 2025 and approved by the shareholders at the annual general meeting held on 23 May 2025. Such dividend, amounted to approximately HKD75,602,000, was paid in 30 June 2025.

A final dividend in respect of the year ended 31 December 2023 of HKD0.0372 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 HKD26,409,000, was paid in 31 May 2024.

## 16. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic and diluted (losses)/earnings per share is based on the following:

	2025 HKD'000	2024 HKD'000 (Restated)
<b>(Losses)/earnings</b>		
(Losses)/earnings for the purpose of basic and diluted (losses)/earnings per share	<b>(238,626)</b>	968,880
	2025 '000	2024 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (losses)/earnings per share	<b>691,143</b>	663,979
Effect of dilutive potential ordinary shares arising from RSUs	–	7,118
Weighted average number of ordinary shares for the purpose of diluted (losses)/earnings per share	<b>691,143</b>	671,097



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HKD'000	Leasehold improvements HKD'000	Motor vehicles HKD'000	Furniture and equipment HKD'000	Total HKD'000
<b>Cost</b>					
At 1 January 2024, as restated	29,004	52,984	6,920	18,952	107,860
Additions, as restated	–	1,056	719	2,117	3,892
Disposals, as restated	(18,408)	–	–	(1,751)	(20,159)
Currency translation differences, as restated	–	(1,149)	(119)	(319)	(1,587)
<b>At 31 December 2024 and 1 January 2025, as restated</b>	<b>10,596</b>	<b>52,891</b>	<b>7,520</b>	<b>18,999</b>	<b>90,006</b>
<b>Additions</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,026</b>	<b>1,026</b>
<b>Disposals</b>	<b>–</b>	<b>(11,317)</b>	<b>(1,180)</b>	<b>(9,745)</b>	<b>(22,242)</b>
<b>Disposal of subsidiaries</b>	<b>–</b>	<b>(41,758)</b>	<b>(1,888)</b>	<b>(160)</b>	<b>(43,806)</b>
<b>Currency translation differences</b>	<b>–</b>	<b>184</b>	<b>108</b>	<b>224</b>	<b>516</b>
<b>At 31 December 2025</b>	<b>10,596</b>	<b>–</b>	<b>4,560</b>	<b>10,344</b>	<b>25,500</b>
<b>Accumulated depreciation</b>					
At 1 January 2024, as restated	7,384	52,711	4,944	16,029	81,068
Charge for the year, as restated	1,232	417	713	731	3,093
Disposals, as restated	(7,651)	–	–	(1,252)	(8,903)
Currency translation differences, as restated	–	(1,134)	(80)	(252)	(1,466)
<b>At 31 December 2024 and 1 January 2025, as restated</b>	<b>965</b>	<b>51,994</b>	<b>5,577</b>	<b>15,256</b>	<b>73,792</b>
<b>Charge for the year</b>	<b>503</b>	<b>902</b>	<b>633</b>	<b>974</b>	<b>3,012</b>
<b>Disposals</b>	<b>–</b>	<b>(11,317)</b>	<b>(1,062)</b>	<b>(8,794)</b>	<b>(21,173)</b>
<b>Disposal of subsidiaries</b>	<b>–</b>	<b>(41,758)</b>	<b>(1,496)</b>	<b>(31)</b>	<b>(43,285)</b>
<b>Currency translation differences</b>	<b>–</b>	<b>179</b>	<b>78</b>	<b>162</b>	<b>419</b>
<b>At 31 December 2025</b>	<b>1,468</b>	<b>–</b>	<b>3,730</b>	<b>7,567</b>	<b>12,765</b>
<b>Carrying amount</b>					
<b>At 31 December 2025</b>	<b>9,128</b>	<b>–</b>	<b>830</b>	<b>2,777</b>	<b>12,735</b>
At 31 December 2024, as restated	9,631	897	1,943	3,743	16,214



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 18. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

<b>At 31 December</b>	<b>2025</b> <b>HKD'000</b>	2024 HKD'000 (Restated)
Right-of-use assets		
– Land	<b>45,860</b>	–
– Buildings	<b>10,406</b>	13,427
– Equipment	<b>825</b>	9
	<b>57,091</b>	13,436
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	<b>4,711</b>	4,150
– Between 1 and 2 years	<b>6,210</b>	3,468
– Between 2 and 5 years	<b>2,183</b>	8,048
	<b>13,104</b>	15,666

<b>Year ended 31 December</b>	<b>2025</b> <b>HKD'000</b>	2024 HKD'000 (Restated)
Depreciation charge of right-of-use assets		
– Land	<b>1,328</b>	–
– Buildings	<b>3,308</b>	4,831
– Equipment	<b>904</b>	1,055
	<b>5,540</b>	5,886
Lease interests	<b>717</b>	1,181
Expenses related to short-term leases	<b>26</b>	318
Total cash outflow for leases	<b>4,548</b>	6,445
Termination of leases	–	10,643
Disposal of subsidiaries of right-of-use assets	<b>2,061</b>	–
Additions to right-of-use assets	<b>49,503</b>	17,345

The Group leases various land, buildings and equipment. Lease agreements are typically made for fixed periods of 30 years, 3 to 5 years and 3 years, respectively. 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 2025

## 19. INVESTMENT PROPERTIES

	2025 HKD'000	2024 HKD'000 (Restated)
<b>Cost</b>		
At 1 January	63,257	–
Addition	–	64,215
Currency translation differences	1,599	(958)
At 31 December	64,856	63,257
<b>Accumulated depreciation and impairment loss</b>		
At 1 January	–	–
Charge for the year	3,040	–
Currency translation differences	40	–
At 31 December	3,080	–
<b>Net book value</b>		
At 31 December	61,776	63,257
Fair value as at 31 December	104,906	102,689

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 rental income arising from investment properties of approximately HKD2,656,000 (2024: nil) and direct operating expenses of approximately HKD3,638,000 are included in cost of revenue for the year ended 31 December 2025.

The fair values of the investment properties at 31 December 2025 and 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 lease term is mainly ranged from 12 to 36 months. All leases are on a fixed rental basis and do not include variable lease payments.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 19. INVESTMENT PROPERTIES *(Continued)*

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:

	<b>2025</b> <b>HKD'000</b>	2024 HKD'000 (Restated)
Within one year	<b>663</b>	1,944
After one year but within five years	<b>2,597</b>	3,888
	<b>3,260</b>	5,832



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 20. INTANGIBLE ASSETS

	Computer software HKD'000	Contractual customer relationship HKD'000	Total HKD'000
<b>Cost</b>			
At 1 January 2024, as restated	5,886	5,322	11,208
Disposals, as restated	(784)	–	(784)
Currency translation differences, as restated	(113)	(114)	(227)
<b>At 31 December 2024 and 1 January 2025, as restated</b>	<b>4,989</b>	<b>5,208</b>	<b>10,197</b>
Additions	522	–	522
Disposals of subsidiaries	(3,794)	(5,287)	(9,081)
Currency translation differences	94	79	173
<b>At 31 December 2025</b>	<b>1,811</b>	<b>–</b>	<b>1,811</b>
<b>Accumulated amortisation</b>			
At 1 January 2024, as restated	4,061	5,322	9,383
Amortisation for the year, as restated	923	–	923
Disposals, as restated	(261)	–	(261)
Currency translation differences, as restated	(96)	(114)	(210)
At 31 December 2024 and 1 January 2025, as restated	4,627	5,208	9,835
Amortisation for the year	540	–	540
Disposals of subsidiaries	(3,794)	(5,287)	(9,081)
Currency translation differences	85	79	164
<b>At 31 December 2025</b>	<b>1,458</b>	<b>–</b>	<b>1,458</b>
<b>Carrying amount</b>			
<b>At 31 December 2025</b>	<b>353</b>	<b>–</b>	<b>353</b>
At 31 December 2024, as restated	362	–	362



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 21. SUBSIDIARIES

Particulars of the Group's principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name	Place of incorporation/ registration and operations	Issued and paid up capital	Percentage of ownership interest/voting power/ profit sharing 2025		Percentage of ownership interest/voting power/ profit sharing 2024		Principal activities
			Direct	Indirect	Direct	Indirect	
Boyaa Holdings Limited	British Virgin Islands	USD1	100%	–	100%	–	Investment holding
Boyaa Interactive (Hong Kong) Limited	Hong Kong	HKD10,000	–	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 (ii))	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	RMB1,800,000	–	– (Note (i))	–	100% (Note (i))	Development and operation of online games
Boyaa Interactive (Thailand) Limited	Thailand	Thailand Baht 8,000,000	–	100%	–	100%	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 (ii))	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	–	– (Note (i))	–	100% (Note (i))	Provision of advisory services
PT Boyaa Interactive Indonesia	Indonesia	Indonesian Rupiah ("IDR") 15,500,000,000 and IDR1,301,310,097	–	100%	–	100%	Operation of online games



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 21. SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration and operations	Issued and paid up capital	Percentage of ownership interest/voting power/ profit sharing 2025		Percentage of ownership interest/voting power/ profit sharing 2024		Principal activities
			Direct	Indirect	Direct	Indirect	
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 (iii))	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 (ii))	PRC	RMB100,000	-	100%	-	100%	Provision of advisory services
Spring Thunder Technology Limited	Hong Kong	HKD1	-	100%	-	100%	Operation of online games
Jiuhou Pte. Limited	Singapore	SGD10,000	-	100%	-	100%	Operation of Web3 business
YAAKO Technology Limited (雅科科技有限公司)	Hong Kong	HKD10,000	-	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 (iii) and (v))	PRC	RMB1,000,000	-	-	-	100%	Development of online games and provision of advisory services
Shenzhen Intelligent Innovation Technology Co., Limited (深圳市嘉訊 智創科技有限公司) (Note (iii))	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 2025

## 21. SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration and operations	Issued and paid up capital	Percentage of ownership interest/voting power/ profit sharing 2025		Percentage of ownership interest/voting power/ profit sharing 2024		Principal activities
			Direct	Indirect	Direct	Indirect	
Three Kingdoms Limited	Hong Kong	HKD10,000	-	100%	-	100%	Operation of online games
Hantang Jiyuan Technology (Henan) Co., Limited (漢唐紀元科技(河南)有限公司) (Note (ii))	PRC	RMB1,000,000	-	100%	-	100%	Property investment
Macau Yaako Technology Limited (澳門雅科科技一人有限公司)	Macau	MOP\$25,000	-	100%	-	-	Development of online games and provision of advisory services

Notes:

- (i) As described in note 4(a) 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 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. On 30 June 2025, the Group completed the disposal of its 100% equity interest in a wholly-owned subsidiary, Shenzhen Dong Fang Bo Ya Technology Co., Limited, please refer to note 38(b) to the consolidated financial statements for details.
- (ii) Those entities are wholly-owned foreign enterprises established in the PRC.
- (iii) Those entities are wholly domestic owned enterprises established in the PRC.
- (iv) Those entities are under contractual arrangements, please refer to note 4(a) to the consolidated financial statements for details.
- (v) The entity was deregistered for the year ended 31 December 2025.

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 HKD41.9 million and HKD31.5 million (2024: HKD183.8 million and HKD139.9 million) for the year ended 31 December 2025 and nil and nil (2024: approximately HKD436.8 million and HKD624.1 million) as at 31 December 2025, respectively.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 22. INVESTMENTS IN ASSOCIATES

	2025 HKD'000	2024 HKD'000 (Restated)
Unlisted investments in PRC:		
Share of net assets	–	4,221

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
		2025	2024	
Shenzhen Fanhou Technology Co., Limited (深圳市飯後科技有限公司)	PRC	–	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 2025

## 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 for the year ended 31 December 2024.

The Group ceased to have significant influence over above associates following the loss of its right to appoint a director on these companies for the year ended 31 December 2025. Consequently, the investments in associates were reclassified from associates (equity method) to investments at fair value through profit or loss.

The directors of the Company considered that all associates as at 31 December 2025 and 2024 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.

	2025 HKD'000	2024 HKD'000 (Restated)
At 31 December:		
Carrying amounts of interests	–	4,221
Year ended 31 December:		
(Losses)/gains	<b>(63)</b>	355
Total comprehensive (expenses)/income	<b>(63)</b>	355

As at 31 December 2025, the bank and cash balances of the Group ' s associates in the PRC denominated in RMB amounted to nil (2024: HKD360,000(restated)). 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 2025

## 23. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HKD'000	2024 HKD'000 (Restated)
Equity securities, at fair value		
– Unlisted equity securities	–	–

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

	2025 HKD'000	2024 HKD'000 (Restated)
<b>Included in non-current assets</b>		
Non-quoted investments in:		
– asset management plans (Notes (i) and (iv))	–	–
– equity investment partnerships (Notes (ii) and (iv))	95,236	96,447
	<b>95,236</b>	96,447
<b>Included in current assets</b>		
Non-quoted investments in:		
– wealth management products (Note (iii))	1,773	–
	<b>1,773</b>	–
	<b>97,009</b>	96,447



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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 HKD88.6 million (2024: HKD86.4 million(restated)) at 31 December 2025. 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 HKD22.8 million (2024: HKD23.4 million(restated)) at 31 December 2025. 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 2025, 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 2025 was zero (2024: 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 ended 31 December 2024. It was under liquidation process as at 31 December 2025.

For the year ended 31 December 2025, the fair value loss of the investment in Jiaxing Boyaa was nil (2024: HKD3.6 million(restated)).

- (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 7 days to 364 days.
- (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 2025

## 25. DIGITAL ASSETS

	2025 HKD'000	2024 HKD'000 (Restated)
Cryptocurrencies and stablecoins	<b>2,917,658</b>	2,548,592
Representing:		
BTC	<b>2,786,655</b>	2,375,144
USDT	<b>104,752</b>	139,042
ETH (note (a))	<b>6,980</b>	7,727
BNB	<b>12,893</b>	10,656
Others (note (b))	<b>6,378</b>	16,023
	<b>2,917,658</b>	2,548,592

Notes:

(a) As at 31 December 2025, ETH with carrying amount of HKD6,188,000 (2024: HKD7,451,000) was used for crypto staking.

(b) Includes various crypto assets that none of which individually represented more than 5% of the carrying value of total crypto assets.

## 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.

	2025 HKD'000	2024 HKD'000 (Restated)
Trade receivables	<b>26,550</b>	26,404
Provision for loss allowance	<b>(308)</b>	(179)
Carrying amount	<b>26,242</b>	26,225



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 26. TRADE RECEIVABLES (Continued)

The aging analysis of trade receivables, based on recognition date of the trade receivables, net of allowance, is as follows:

	2025 HKD'000	2024 HKD'000 (Restated)
0 to 30 days	17,224	17,735
31 to 60 days	8,870	7,899
61 to 90 days	126	246
91 to 180 days	21	243
181 to 360 days	1	100
Over 360 days	–	2
	<b>26,242</b>	26,225

Reconciliation of loss allowance for trade receivables:

	2025 HKD'000	2024 HKD'000 (Restated)
At 1 January	179	231
Increase/(decrease) in loss allowance for the year	174	(49)
Disposals of subsidiaries	(46)	–
Currency translation differences	1	(3)
At 31 December	<b>308</b>	179

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 2025</b>						
Weighted average expected loss rate	1%	1%	0%	0%	100%	
Receivable amount (HKD'000)	23,461	2,831	4	2	252	26,550
Loss allowance (HKD'000)	50	6	–	–	252	308
<b>At 31 December 2024</b>						
Weighted average expected loss rate, as restated	1%	1%	0%	3%	13%	
Receivable amount, as restated (HKD'000)	23,278	2,685	91	116	234	26,404
Loss allowance, as restated (HKD'000)	116	28	–	4	31	179



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HKD'000	2024 HKD'000 (Restated)
<b>Included in non-current assets</b>		
Prepayments for purchase of property, plant and equipment	–	6,888
Loans to employees (Note (i))	6,586	11,544
Advances to employees	–	1,137
	<b>6,586</b>	19,569
Less: Loss allowances	<b>(247)</b>	(640)
	<b>6,339</b>	18,929
<b>Included in current assets</b>		
Loans to employees (Note (i))	7,161	2,635
Advances to employees	1,301	1,518
Deposits	1,022	1,349
Prepayment for digital assets (Note (ii))	6,699	–
Prepayments for advertising costs	498	4,189
Prepaid commission charges	1,699	1,757
Interest receivables	2,952	3,634
Undeducted input value-added tax	1,372	863
Prepayment for other operation expenses	2,227	2,625
Loans to an associate	–	2,160
Other receivables	20,701	28,784
	<b>45,632</b>	49,514
Less: Loss allowances	<b>(1,289)</b>	(2,296)
	<b>44,343</b>	47,218
The movements in the loss allowances for other receivables are as follows:		
At beginning of year	2,936	3,201
Increase/(decrease) in loss allowance for the year	1,513	(198)
Disposal of subsidiaries	(2,964)	–
Exchange realignment	51	(67)
At 31 December	<b>1,536</b>	2,936

Notes:

- (i) 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 3.5% to 6.15% (2024: 4.75% to 6.15%) p.a. promulgated by the People's Bank of China.
- (ii) The prepayment for digital assets mainly represent that the Group had entered into a token subscription warrant with MTT ESports Limited on 17 February 2025, pursuant to which the Group will acquire 210 million units of MTT token at a consideration of 4,180,749 units of Tether (USDT). It is expected that the acquired MTT Tokens will be unlocked linearly starting from January 2026 and will be fully unlocked within approximately 48 months. During the year ended 31 December 2025, the Group prepaid 780,749 units of USDT which equivalent to approximately HKD6,076,000. The related commitment was HKD26,459,000.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 28. TERM DEPOSITS AND BANK AND CASH BALANCES

The Group's term deposits represented deposits to banks. The deposits are in USD, HKD and RMB and at average fixed interest rates of 2.55% (2024: 2.70%) p.a. and therefore are subject to foreign currency risk and fair value interest rate risk.

As at 31 December 2025, the term deposits and bank and cash balances of the Group denominated in RMB amounted to HKD69,509,000 (2024: HKD269,594,000(restated)). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

## 29. TRADE PAYABLES

The aging analysis of trade payables, based on recognition date of trade payables, is as follows:

	2025 HKD'000	2024 HKD'000 (Restated)
0 to 30 days	906	1,059
31 to 90 days	–	2
91 to 180 days	–	3
	<b>906</b>	<b>1,064</b>

## 30. ACCRUALS AND OTHER PAYABLES

	2025 HKD'000	2024 HKD'000 (Restated)
Other tax payables	17,372	47,794
Accrued expenses	4,003	18,344
Accrued commissions charges by platforms	–	6,271
Accrued advertising expenses	3,791	5,570
Salary and staff welfare payables	10,669	13,472
Receipts in advance	795	–
Deposits received	828	–
Others	558	100
	<b>38,016</b>	<b>91,551</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 31. CONTRACT LIABILITIES

Disclosures of revenue-related items:

As at	<b>31 December 2025 HKD'000</b>	31 December 2024 HKD'000 (Restated)	1 January 2024 HKD'000 (Restated)
Contract liabilities	<b>11,797</b>	13,770	12,105
Contract receivables (included in trade receivables)	<b>26,242</b>	26,225	32,409

	<b>2025 HKD'000</b>	2024 HKD'000 (Restated)
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
– 2025	<b>N/A</b>	13,770
– 2026	<b>11,797</b>	–
	<b>11,797</b>	13,770

Year ended 31 December	<b>2025 HKD'000</b>	2024 HKD'000 (Restated)
Revenue recognised in the year that was included in contract liabilities at beginning of year	<b>13,770</b>	12,105

Significant changes in contract liabilities during the year:

	<b>2025 HKD'000</b>	2024 HKD'000 (Restated)
Increase due to operations in the year	<b>444,049</b>	443,779
Transfer of contract liabilities to revenue	<b>(443,331)</b>	(444,701)
Disposals of subsidiaries	<b>(1,606)</b>	–
Currency translation differences	<b>(1,085)</b>	2,587

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 2025

### 32. LEASE LIABILITIES

	Lease payments 2025 HKD'000	Lease payments 2024 HKD'000 (Restated)	Present value of lease payments 2025 HKD'000	Present value of lease payments 2024 HKD'000 (Restated)
Within one year	4,711	4,150	4,157	3,653
Over one year but within five years	8,393	11,516	7,897	10,323
	<b>13,104</b>	15,666	<b>12,054</b>	13,976
Less: Future finance charge	<b>(1,050)</b>	(1,690)		
Present value of lease liabilities	<b>12,054</b>	13,976		
Less: Amount due for settlement within 12 months (shown under current liabilities)			<b>(4,157)</b>	(3,653)
			<b>7,897</b>	10,323

At 31 December 2025, the average effective borrowing rate was 5.63% p.a. (2024: 5.75%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

### 33. DEFERRED TAX

The following are the deferred tax assets recognised by the Group:

	Loss allowance HKD'000	Total HKD'000
At 1 January 2024, as restated	600	600
Charge to profit or loss, as restated	(22)	(22)
Currency translation differences, as restated	(11)	(11)
<b>At 31 December 2024 and 1 January 2025, as restated</b>	<b>567</b>	<b>567</b>
<b>Credit to profit or loss</b>	<b>967</b>	<b>967</b>
<b>Disposals of subsidiaries</b>	<b>(1,546)</b>	<b>(1,546)</b>
<b>Currency translation differences</b>	<b>12</b>	<b>12</b>
<b>At 31 December 2025</b>	<b>–</b>	<b>–</b>

At the end of the reporting period, the Group has unused tax losses of HKD93,000 (2024: HKD284,058,000(restated)) 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 2026 to 2030 (2024: 2025 to 2029).



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 33. DEFERRED TAX (Continued)

The following are the deferred tax liabilities recognised by the Group:

	Changes in fair value gain on digital assets HKD'000	Changes in fair value of investments at fair value through profit or loss HKD'000	Dilution gains on investment in an associate HKD'000	Total HKD'000
At 1 January 2024, as restated	–	336	653	989
Charge/(credit) to profit or loss, as restated	161,141	(75)	–	161,066
Currency translation differences, as restated	(2,832)	(7)	(14)	(2,853)
<b>At 31 December 2024 and 1 January 2025, as restated</b>	<b>158,309</b>	<b>254</b>	<b>639</b>	<b>159,202</b>
<b>Credit to profit or loss</b>	<b>(70,631)</b>	<b>(222)</b>	<b>(646)</b>	<b>(71,499)</b>
<b>Currency translation differences</b>	<b>7,285</b>	<b>4</b>	<b>7</b>	<b>7,296</b>
<b>At 31 December 2025</b>	<b>94,963</b>	<b>36</b>	<b>–</b>	<b>94,999</b>

### 34. SHARE CAPITAL

The total authorised share capital of the Company comprises 2,000,000,000 (2024: 2,000,000,000) ordinary shares with par value of USD0.00005 (2024: USD0.00005) per share.

	Notes	Number of ordinary shares	Nominal value of ordinary shares USD'000	Equivalent nominal value of ordinary shares HKD'000
Issued and fully paid:				
At 1 January 2024, as restated		709,576,301	36	278
Issue of new shares upon exercise of the share options, as restated	(i)	4,052,429	–	1
Cancellation of ordinary shares, as restated	(ii)	(3,445,000)	–	(1)
<b>At 31 December 2024 and 1 January 2025, as restated</b>		<b>710,183,730</b>	<b>36</b>	<b>278</b>
<b>Issue of new shares upon exercise of the share options</b>	<b>(i)</b>	<b>820,000</b>	<b>–</b>	<b>–</b>
<b>Placement of shares</b>	<b>(iii)</b>	<b>59,973,000</b>	<b>3</b>	<b>23</b>
<b>At 31 December 2025</b>		<b>770,976,730</b>	<b>39</b>	<b>301</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 34. SHARE CAPITAL (Continued)

Notes:

- (i) During the year ended 31 December 2025, a total of 820,000 (2024: 4,052,429) ordinary shares of the Company were issued upon exercise of the share options of the Company.
- (ii) The Group repurchased 2,972,000 shares (2024: 3,445,000) of its own shares from the market during the year ended 31 December 2025. The total amount paid to acquire the shares was HKD10,945,000 (2024: HKD5,636,000(restated)) and has been deducted from the shareholders' equity. The related weighted average price at the time of buy-back was HKD3.67 (2024: HKD1.63) per share. The 2,972,000 repurchased shares during the year ended 31 December 2025 have not been cancelled yet up to the date of this report. Such 3,445,000 repurchased shares have been cancelled for the year ended 31 December 2024.
- (iii) Reference is made to the Company's announcement dated on 21 August 2025, 29 August 2025 and 9 September 2025, the Company and the placing agents entered into a placing agreement in respect of the placing of 59,973,000 ordinary shares at a price of HKD6.95 per share. The placing was completed on 12 September 2025 and the premium on the issue of shares, amounting to approximately HKD411,810,000, net of share issue expenses of HKD4,979,000, was credited to the Company's share premium account.

### 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 2025

## 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HKD'000	2024 HKD'000 (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	784,939	439,298
	<b>784,939</b>	439,298
<b>Current assets</b>		
Prepayments and other receivables	18,704	14,696
Bank and cash balances	8,258	609
	<b>26,962</b>	15,305
<b>Total assets</b>	<b>811,901</b>	454,603
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	301	278
Reserves	809,067	451,442
<b>Total equity</b>	<b>809,368</b>	451,720
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other payables	2,533	2,883
<b>Total liabilities</b>	<b>2,533</b>	2,883
<b>Total equity and liabilities</b>	<b>811,901</b>	454,603
<b>Net current assets</b>	<b>24,429</b>	12,422
<b>Total assets less current liabilities</b>	<b>809,368</b>	451,720

## 36. 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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 36. RESERVES (Continued)

### (b) Company

	Share premium HKD'000	Repurchased shares HKD'000	Shares held for RSU scheme HKD'000	Share-based payments reserve HKD'000	Other reserve HKD'000	Retained profits/ losses (accumulated) HKD'000	Total HKD'000
At 1 January 2024, as restated	411,643	–	(15)	93,354	(34,493)	6,379	476,868
Total comprehensive expenses for the year, as restated	–	–	–	–	1,048	(9,821)	(8,773)
Issue of shares upon exercise of share options, as restated (Note 34)	18,117	–	–	(5,524)	–	–	12,593
Repurchase of ordinary shares, as restated (Note 34)	–	(5,636)	–	–	–	–	(5,636)
Cancellation of ordinary shares, as restated (Note 34)	(5,635)	5,636	–	–	–	–	1
Share-based payments, as restated – exercise and lapse of share options and RSUs, as restated	32,129	–	–	(32,129)	–	–	–
– value of employee services, as restated	–	–	–	2,798	–	–	2,798
Dividends, as restated	(26,409)	–	–	–	–	–	(26,409)
At 31 December 2024, as restated	429,845	–	(15)	58,499	(33,445)	(3,442)	451,442
<b>At 1 January 2025</b>	<b>429,845</b>	<b>–</b>	<b>(15)</b>	<b>58,499</b>	<b>(33,445)</b>	<b>(3,442)</b>	<b>451,442</b>
<b>Total comprehensive expenses for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(16,731)</b>	<b>(16,731)</b>
<b>Issue of shares upon exercise of share options (Note 34)</b>	<b>3,666</b>	<b>–</b>	<b>–</b>	<b>(1,118)</b>	<b>–</b>	<b>–</b>	<b>2,548</b>
<b>Placement of shares (Note 34)</b>	<b>411,810</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>411,810</b>
<b>Repurchase of ordinary shares (Note 34)</b>	<b>–</b>	<b>(10,945)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(10,945)</b>
<b>Share-based payments – exercise of RSUs</b>	<b>34,884</b>	<b>–</b>	<b>2</b>	<b>(34,886)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>– value of employee services</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>46,545</b>	<b>–</b>	<b>–</b>	<b>46,545</b>
<b>Dividends</b>	<b>(75,602)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(75,602)</b>
<b>At 31 December 2025</b>	<b>804,603</b>	<b>(10,945)</b>	<b>(13)</b>	<b>69,040</b>	<b>(33,445)</b>	<b>(20,173)</b>	<b>809,067</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 36. 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.

#### (ii) 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 the PRC subsidiaries, 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 reserve before distributing the net profit. When the balance of the statutory reserve reaches 50% of the share capital, any further appropriation is at the discretion of shareholders. The statutory reserve 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 reserve after such issue is no less than 25% of share capital.

#### (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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 37. 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 2025, 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.

Details of the share options outstanding during the year are as follows:

	Number of share options	
	2025	2024
Outstanding at the beginning of the year	820,000	4,872,429
Exercised during the year	(820,000)	(4,052,429)
Outstanding at the end of the year	–	820,000
Exercisable at the end of the year	–	820,000

The weighted average share price at the date of exercise for share options exercised during the year was HKD6.73.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 37. SHARE-BASED PAYMENTS (Continued)

### (a) Share options (Continued)

Details of the exercise prices and the respective numbers of share options which remained outstanding as at 31 December 2025 and 2024 are as follows:

Expiry date	Exercise price	Number of share options	
		2025	2024
6 September 2025	HKD3.108	–	820,000

### (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.

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.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 37. SHARE-BASED PAYMENTS (Continued)

### (b) RSU (Continued)

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 Group 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 Group 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.

On 14 March 2025, the Group granted 5,850,000 RSUs under the 2024 RSU Scheme to its employees. The RSUs granted shall be vested within 30 months in 30 equal installments per month starting from the date of grant (i.e. 14 March 2025). 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 HKD3.88 per share. The expiry date of the above newly granted RSUs is 13 March 2033. Based on the performance and contributions of the relevant participants, the Group approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by some relevant participants, resulted in a total of 2,126,667 RSU and 133,333 RSU, vested in advance on 14 March 2025 and 30 December 2025, respectively.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 37. SHARE-BASED PAYMENTS (Continued)

### (b) RSU (Continued)

On 31 October 2025, the Group granted 5,200,000 RSUs under the 2024 RSU Scheme to its employees. The RSUs granted shall be vested within 24 months in 24 equal installments per month starting from 6 months after the date of grant (i.e. 30 April 2026). 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 HKD5.37 per share. The expiry date of the above newly granted RSUs is 30 October 2033. Based on the performance and contributions of the relevant participants, the Group approved to waive the remaining vesting period and other vesting conditions for the unvested RSUs held by all relevant participants, resulted in a total of 5,200,000 RSU, vested in advance on 30 December 2025.

Movements in the number of RSUs outstanding:

	Number of RSUs	
	2025	2024
At 1 January	1,345,000	19,588,089
Granted	11,050,000	1,900,000
Lapsed	–	(4,237,497)
Vested and transferred	(6,894,997)	(15,905,592)
At 31 December	5,500,003	1,345,000
Vested but not transferred as at 31 December	3,200,003	1,345,000

The related weighted-average share price at the time when the RSUs were vested and transferred was HKD4.75 (2024: HKD2.02) 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, 6,894,997 (2024: 15,905,592) of RSUs were vested and transferred (Note (b) above), and as a result, 34,310,240 ordinary shares (2024: 41,205,237 ordinary shares) of the Company underlying the RSUs were held by Core Administration RSU Limited as at 31 December 2025.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 38. 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 HKD'000	Total liabilities from financing activities HKD'000
At 1 January 2024, as restated	13,659	13,659
Changes in cash flows, as restated	(6,127)	(6,127)
Non-cash changes, as restated		
– Addition, as restated	17,345	17,345
– Termination, as restated	(11,649)	(11,649)
– Interest charged, as restated	1,181	1,181
– Currency translation differences, as restated	(433)	(433)
<b>At 31 December 2024 and 1 January 2025, as restated</b>	<b>13,976</b>	<b>13,976</b>
<b>Changes in cash flows</b>	<b>(4,522)</b>	<b>(4,522)</b>
<b>Non-cash changes</b>		
– <b>Addition</b>	<b>3,748</b>	<b>3,748</b>
– <b>Disposals of subsidiaries</b>	<b>(2,202)</b>	<b>(2,202)</b>
– <b>Interest charged</b>	<b>717</b>	<b>717</b>
– <b>Currency translation differences</b>	<b>337</b>	<b>337</b>
<b>At 31 December 2025</b>	<b>12,054</b>	<b>12,054</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### (b) Disposals of subsidiaries

On 30 June 2025, the Group completed the disposal of its 100% equity interest in a wholly-owned subsidiary, Shenzhen Dong Fang Bo Ya Technology Co., Limited (“**Boyaa Shenzhen**”) at a total consideration of HKD4,172,000.

During the year, Boyaa Shenzhen had entered into a sale agreement (the “**Sale Agreement**”) with an independent third party (the “**Purchaser**”). Pursuant to the Sale Agreement, Boyaa Shenzhen had agreed to sell and the Purchaser had agreed to purchase all the online games owned by Boyaa Shenzhen (the “**Subject Games**”) including all the online games and wechat mini games owned and operated by the Group through Boyaa Shenzhen in Mainland China. After the completion of the handover of Subject Games, the Company no longer conducts any business with Foreign Investment Restrictions and therefore the Company had terminated the VIE Agreements during the year in accordance with the applicable PRC laws.

Net assets at the date of disposal were as follows:

	HKD'000
Property, plant and equipment	521
Right-of-use assets	2,061
Deferred tax assets	1,546
Trade receivables	2,562
Prepayments, deposits and other receivables	1,479
Current tax assets	31,651
Bank and cash balances	1,603
Trade payables	(116)
Accruals and other payables	(41,274)
Contract liabilities	(1,606)
Lease liabilities	(2,202)
<b>Net liabilities disposed of</b>	<b>(3,775)</b>
Release of foreign currency translation reserve	(20,395)
Gain on disposals of subsidiaries	28,342
<b>Total consideration - satisfied by cash</b>	<b>4,172</b>
Net cash inflow arising on disposal:	
Cash consideration received	4,172
Bank and cash balances disposal of	(1,603)
	<b>2,569</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. 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:*

	2025 HKD'000	2024 HKD'000 (Restated)
<b>Balances with its related parties:</b>		
Amount due from a director included in other receivables	900	882
Amount due from a related party included in other receivables	1,069	2,163
The amount due from a director and from a related party are unsecured, interest-free and repayable on demand or 10 years.		
<b>Transactions with its related parties:</b>		
Staff remuneration paid to a related party	2,110	807

## 40. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 15 March 2026.