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Vobile Group Limited

阜博集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3738)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income Highlights

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2,401,322	2,000,989
Gross profit	1,051,463	850,157
Profit before tax	186,694	47,141
Profit/(loss) for the year	158,491	(210)
Non-IFRS Adjusted Net Profit	179,667	37,411
Non-IFRS Adjusted EBITDA	<u>438,234</u>	<u>319,196</u>

Consolidated Statement of Financial Position Highlights

	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	3,916,882	3,506,108
Total liabilities	1,624,945	1,366,296
Net assets	2,291,937	2,139,812
Total equity	<u>2,291,937</u>	<u>2,139,812</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND PROSPECTS

I. Company Financial Performance

During the reporting period, we continued to enhance the execution efficiency of our strategic initiatives. On the one hand, we strengthened the operational efficiency of our core business to optimise revenue structure and enhance profitability; on the other hand, we accelerated the ecosystem deployment of our AI-related business. The group achieved the following key financial results:

- The total revenue was HK\$2,401 million, reflecting a YoY increase of 20.0%.
- The revenue from subscription services was HK\$1,104 million, reflecting a YoY increase of 27.1%, accounting for about 46.0% of the revenue. The revenue from value-added services was HK\$1,298 million, reflecting a YoY increase of 14.6%, accounting for about 54.0% of the revenue.
- The revenue in the United States and other regions was HK\$1,213 million, reflecting a YoY increase of 21.5%. The revenue in the Mainland China was HK\$1,188 million, reflecting a YoY increase of 18.6%.
- The gross profit was HK\$1,051 million, reflecting a YoY increase of 23.7%. The gross profit margin has achieved 43.8%, up 1.3 percentage points from 2023.
- The profit for the year was HK\$158 million, recording a turnaround from a net loss of HK\$210,000 in the same period of 2023, with a profit margin increase of 6.6%.
- The adjusted net profit was HK\$180 million, reflecting a YoY increase of 380%.
- The research and development expense was HK\$271 million, reflecting a YoY increase of 17.0%

II. Company Strategy and Outlook

In 2024, the development of artificial intelligence (AI) technologies continued to drive industrial transformation. The rapid iteration of LLMs, along with the cost-efficiency advantages and increasing adoption of open-source models, is accelerating the commercialisation of AI applications. This not only enhances operational efficiency for enterprises but also brings new growth opportunities across industries, particularly disrupting the Media and Entertainment industry.

AI factories, powered by AI computing infrastructures, are capable of producing high-quality tokens such as short-form videos at scale. As AI chip performance continues to advance, the tokens per second per megawatt (TPS/MW) is steadily improving, resulting in significantly

enhanced energy efficiency, and AI factories are expected to achieve sustainable profits in the future. This will establish the emergence of a new creator economy ecosystem. Vobile has long been committed to building a creative economy ecosystem and providing pioneering solutions for the media and entertainment industry in the AI era, enabling seamless transition from creativity to revenue, making creative more valuable.

AI is empowering the creative economy, bringing disruptive opportunities:

The cost of producing high-quality film and television content has long remained high. Industry resources are heavily concentrated in a few premium content areas such as drama series and pop music. Premium content primarily generates revenue through box office returns, streaming subscriptions, and album sales. However, for the large number of independent creators with diverse formats, these monetization models are not only costly but also inadequate to meet the needs of varied content types.

Creator content is gaining increasing trust. According to Deloitte's annual Digital Media Trends report, younger consumers are spending more time on creator-driven entertainment and social platforms. 56% of Gen Z and 43% of Millennials believe that content on social media is more meaningful and offers a more personal connection than traditional TV programs and films.

Creative content and its monetization models are undergoing structural change. The rapid development of AI is significantly improving content creation efficiency. Formats, duration, and usage scenarios for creative expression are evolving substantially, and the ability to leverage content in more diverse ways to generate income is becoming an inevitable trend. The application of AI not only helps creators better realise their ideas but also enables more precise targeting of niche audiences. Monetization models such as advertising, diversified copyright operations, and revenue sharing will become widely adopted. Traditional geographic and channel limitations will be broken, giving previously overlooked niche and independent productions broader opportunities for dissemination. A virtuous cycle of content creation and consumption will form, significantly shortening the chain between creators and users. Whether it is traditional blockbuster productions or new AI-powered content, both can meet the demands of various consumption scenarios while continuously generating income for creators and rights holders.

As a global leader in digital content protection and transaction services, Vobile remains committed to placing intellectual property at its core and is dedicated to helping content creators and rights holders unlock greater commercial value. With the efficiency of content creation significantly improved by AI and the growing diversity of creative content, the industry urgently needs innovative monetization and transaction models to enable more creators to monetize and generate profits from their creativity. This signals that the time is right for Vobile to extend its services to a broader group of creators. With its core capabilities in digital rights identification and monetization, Vobile is poised to become the commercialisation engine for AI applications in the creative industry.

We have launched the Vobile MAX digital content asset trading platform. By leveraging an open architecture to deeply integrate with partners across the industry chain, Vobile is building a complete value loop of “creation-protection-distribution,” empowering a broader creator community through technological innovation. The platform is AI-driven at its core, deeply integrating intelligent analysis and collaborative creation capabilities. It not only optimises the end-to-end efficiency of content registration, rights identification, and distribution but also maximises content value through data insights and dynamic audience matching. Based on blockchain and Web3 technologies, we are building an efficient content distribution system that supports multi-source content aggregation, cross-platform revenue penetration management, and efficient rights identification of copyright assets, enabling high-frequency, lightweight transactions and flexible revenue sharing.

We are building a collaborative and innovative technology ecosystem together with our partners. Through partnerships with global leading AI infrastructure providers, LLM model technology companies, and computing service providers, we are advancing the implementation of real-time rights identification and monetization capabilities for AI-generated content. Our digital watermarking technology has completed compatibility testing within the industry’s leading AI content creation ecosystems, marking a breakthrough from technical validation to commercial deployment. Related commercial applications are now entering the stage of scaled deployment. Meanwhile, as global tech leaders accelerate the development of AI computing infrastructure, we are further deepening our collaboration with key partners to accelerate the rollout of AI copyright services in core business regions and jointly explore digital content asset deployment strategies.

Vobile is leveraging its years of accumulated competitive advantage in frontier technologies to drive the commercialisation of AI-era content licensing and revenue-sharing mechanisms. In key emerging content markets, we provide full-chain copyright protection and transaction service solutions for major cultural projects. In regulatory innovation zones, we are exploring new business scenarios and building a Web3-based cross-border digital content asset distribution ecosystem. Through the integration of technological empowerment and business model innovation, we aim to unlock the long-term value of digital content assets.

Our strategic priorities are:

1. *Seize strategic opportunities of AI and expand our AI service capabilities*

Regardless of the evolution of content production and distribution driven by technological progress, IP is the core value of the film and television industry, and the protection and transaction of creative content is the foundation to support the value of the industry. Leveraging our software service capabilities, Vobile provides solutions tailored to the creative economy in the AI era, positioning ourselves as a key enabler of the monetization of advanced computing and LLMs.

2. *Achieve scalability by upgrading to platform business and expanding services to include small and medium-sized content holders*

The rapid development of AI technology is significantly enhancing the influence of small and medium-sized content creators within the creative ecosystem. We are building a platform-based ecosystem to achieve scalable customer acquisition service delivery. By leveraging Web3 technologies, we aim to establish more transparent rules, lower-cost digital rights identification mechanisms, and more refined revenue-sharing models. Furthermore, through digital asset transactions, we are improving content liquidity and promoting a healthy and sustainable development of the creative ecosystem.

3. *Establishing a new paradigm for digital content asset distribution and deeply involving in the digital trade ecosystem*

The development of the global digital economy has created substantial opportunities for digital trade. Vobile has been actively building digital content asset infrastructure projects across various regions. It has developed asset management capabilities covering a wide range of content types, including long and short-form videos and music, based on our practical experience in cross-regional copyright collaboration frameworks. Leveraging our strong technological capabilities and resource base, we have established a leading position in the field of digital cultural trade, opening up new business frontiers and strengthening our competitive advantage.

Vobile Group has entered a strategic inflection point for achieving leapfrog development, as the digital content industry is flourishing at an unprecedented pace, with various new technologies and sectors emerging rapidly. Moving forward, we will continue to solidify our global leadership in the industry, seize opportunities presented by major industry transformations, and lead in technological innovation and business expansion. We remain fully committed to realising the vision and mission of ‘Making Creative More Valuable’.

III. Our Business

The industry environment is constantly evolving. Vobile provides comprehensive digital content rights and transaction solutions for customers with IP as the core, ensuring that the rights of creators are fully respected and protected. Vobile implements a high-quality development strategy, prioritising the development of high-value businesses and focusing on strategic key areas. We seize the key development opportunities of AI era and continuously upgrade our service capabilities based on the advantages accumulated in the field of copyright services for many years. During the reporting period, Vobile achieved total revenue of HK\$2,401 million, representing a growth of approximately 20.0% YoY.

Subscription Services

A subscription-based business model has constantly provided long-term stable services to the world's leading content providers and platforms. With our essential proprietary VDNA digital fingerprint and watermark technologies, we help content owners in tracing infringements and preserving timely and powerful evidence, and we charge subscription fees based on the scale of services provided to customers. At the same time, we provide content identification services and traceability capabilities for online video websites and platforms, empowering platform customers.

During the reporting period, we further advanced the scenario-driven application of our digital rights protection technologies. Our service scope expanded to cover emerging content segments such as live streaming, short dramas, music, e-commerce, and online literature-establishing a comprehensive lifecycle management system for all content types. For live streaming, we upgraded our service and system capabilities to provide real-time content stream processing for leading global platforms, achieving minute-level digital rights identification on platforms including YouTube and Facebook. For music copyright protection, we deployed a cross-channel monitoring network for leading music platforms and implemented minute-level infringement response mechanisms for their core libraries across music streaming, audiovisual, and live scenarios. For the e-commerce sector, we achieved breakthroughs by building a product image copyright identification system for a leading platform. This system, powered by VDNA fingerprinting technology, now supports automated rights identification of over 500,000 images per day, significantly reducing the dispute resolution cycle. For the short-drama segment, our intelligent monitoring system now provides customised copyright solutions for premium short-form video platforms. During the period, we have added several newspaper group clients and delivered intelligent media content library services through API solutions.

Based on the above progress, during the reporting period, Vobile has achieved a subscription service revenue of HK\$1,104 million, representing a YoY increase of about 27.1%, accounting for approximately 46.0% of total revenue. It is expected that with the increasing global focus on copyright, Vobile's expanding coverage of diverse content, and the growing demand from copyright platforms, our subscription services will continue to maintain a good development trend.

Value-added Services

With the continuous development of our business and the diversification of customer needs, we are further providing diversified value-added services on the basis of strengthening subscription services to help customers maximise the value of content. We enhance the penetration and profitability of customer content by providing rich monetization solutions, and earn revenue through revenue sharing models. In 2024, we continued the trend of upgrading contracts with large content providers, achieving greater coverage of top-tier content and providing assurance for the growth of value-added services.

We have managed 19 new media channels for major international film studios, attracting nearly 40 million new subscribers and driving a remarkable increase of 27.4 billion annual video views. We are building a digital copyright value realisation ecosystem and launched the Vobile MAX Digital Asset Trading Platform this year. The platform integrates video rights identification, blockchain, and Web3 technologies to deliver a one-stop service cycle for creator empowerment, copyright monetization, protection, and transaction.

During the reporting period, value-added services generated revenue of HK\$1,298 million, representing a year-on-year increase of 14.6% and accounting for approximately 54.0% of total revenue. Our growth is primarily driven by platform-based service models underpinned by technological innovation and deep integration with leading international clients.

Sustained Strong Growth in Our Major Business Regions

In 2024, we will continue to advance the strategy of high-quality development to respond to the impact of the economic environment and other factors, ensuring existing development and firmly laying out the future. During the reporting period, we continued to expand the scale and categories of digital content services in our main business areas, building the business foundation of the AI field, and successfully exploring business in new market areas. Our solid business fundamentals, paired with innovative and effective expansion initiatives, have enabled us to deliver strong performance amid a dynamic industry environment.

In the United States, we maintained robust growth momentum. We have established partnerships with world-leading computing power ecosystem providers in the fields of AI-generated content rights identification and monetization. Leveraging our watermarking technology, we have successfully extended its services to platforms such as TikTok. During the reporting period, the revenue from the United States was HK\$1,184 million, representing a YoY growth of approximately 20.5%, and accounting for approximately 49.3% of the total revenue.

In Mainland China, Vobile's performance and brand influence have achieved excellent growth. The region remained a key strategic market for us. For major event copyright protection, we established a minute-level monitoring system for the Paris Olympics, identifying over 200,000 infringement cases, with a 100% takedown rate on key platforms. In terms of cultural dissemination, our "Haiyun" global content distribution platform achieved significant milestones. In 2024, we also

supported a leading content partner in building a global media distribution network on YouTube and Meta platforms, delivering over 100 billion international impressions annually. During the reporting period, the revenue in Mainland China was HK\$1,188 million, with a year-on-year growth of approximately 18.6%, accounting for approximately 49.5% of the total revenue.

In the Greater Bay Area of Guangdong, Hong Kong, and Macau, we grasp the trend of integrated development, increase our talent and investment deployment in the Greater Bay Area, deeply participate in shaping the IP Ecosystem in specific regions, and positioning ourselves as a pivotal player.

Research and Development

Vobile continues to build essential technological infrastructure for the protection and transaction of digital content assets, aiming to improve the efficiency of value transmission across the industry ecosystem. Content rights holders, AI LLMs platforms, and creators are increasingly reaching consensus on copyright compliance, while major global economies are accelerating legislative efforts in this area. By offering comprehensive copyright technology services, Vobile has become a key technical enabler for the effective implementation of industry standards.

We expanded our research and development collaboration in the field of artificial intelligence with the University of Florida and achieved technological breakthroughs in rights identification and monetization for AI-generated content. Integrated with NVIDIA Media2 ecosystem, we have developed and integrated new digital rights identification solutions into our monetization service framework. We have completed preparations for the upcoming full-scale commercial deployment, ready to deliver premium authentication services with industrial-grade efficiency in the field of AI-generated content rights management at scale.

Leveraging our globally leading proprietary fingerprinting and watermarking technologies, Vobile remains committed to safeguarding digital content assets in film, television, and streaming. We have built the world's largest authorised fingerprint genome repository, significantly enhancing the accuracy and credibility of rights identification for AI-generated content. During the reporting period, we completed a new round of upgrades to our fingerprinting technology, adding semantic-level intelligence to better meet the needs of high-frequency and fragmented content environments. This has enabled us to identify AI-generated content at scale, with greater speed and precision. Enhanced algorithms have also allowed us to reduce rights identification time significantly, while expanding real-time detection capabilities across live streaming and short-form video platforms — further strengthening our content service delivery on global social media.

The evolution of AI has introduced new demands for digital copyright services. To address the “born-to-be-used” nature of AI-generated content, we are developing a real-time rights identification system driven by watermarking and fingerprinting technologies, combined with blockchain-based certification and multi-platform tracking. Supported by smart contract-enabled dynamic revenue-sharing mechanisms, this system will enable instant rights confirmation and efficient monetization.

To further support the monetization of long-tail content, we launched the Vobile MAX Digital Content Asset Trading Platform-an integrated platform combining Vobile’s core technologies and service systems. Vobile MAX supports concurrent rights identification and transactions for vast volumes of small and medium content. With blockchain and other foundation technologies, it provides a transparent and trustworthy infrastructure for asset distribution and delivers precise technical support for revenue allocation. Additionally, through partnerships with third-party collaborators, we introduced Web3 content asset trading, offering more flexible monetization options for independent and small-team creators.

Vobile is dedicated to building an AI-driven new digital content infrastructure, covering the full lifecycle of rights identification, distribution, and monetization. Through continuous technology upgrades and capability expansion, we are enhancing our content recognition efficiency and service coverage-laying a solid foundation to address the increasingly complex copyright landscape in the AI era, and contributing to a healthier and more efficient industry ecosystem for content rights holders and AI technology providers.

FINANCIAL REVIEW

Consolidated Statement of Profit or Loss and Other Comprehensive Income Highlights

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2,401,322	2,000,989
Gross profit	1,051,463	850,157
Profit before tax	186,694	47,141
Profit/(loss) for the year	158,491	(210)
Non-IFRS Adjusted Net Profit	179,667	37,411
Non-IFRS Adjusted EBITDA	<u>438,234</u>	<u>319,196</u>

Non-IFRS Adjusted Net Profit

Adjusted Net Profit is earnings before equity settled share option expenses and other one-off expenses. This is not a IFRSs measure. Adjusted net profit is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the year	158,491	(210)
Add/(less):		
Equity-settled share compensation expense	24,273	41,900
Loss on derecognition of financial liabilities measured at amortised cost	11,728	6,195
Changes in fair value of investment properties	(1,024)	(3,468)
Changes in fair value of financial assets at FVTPL	<u>(13,801)</u>	<u>(7,006)</u>
Adjusted Net Profit	<u>179,667</u>	<u>37,411</u>

Non-IFRS Adjusted EBITDA

Adjusted EBITDA is earnings before finance costs, finance revenues, income taxes, depreciation and amortisation, equity settled share option expenses, and other one-off expenses. This is not a IFRSs measure. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. Our Group has presented this item because our Group considers it an important supplemental measure of our Group's operational performance used by our Group's management as well as analysts or investors.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement and profit/(loss) before tax.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before tax	186,694	47,141
Add/(less):		
Depreciation and amortisation	135,125	135,750
Equity-settled share compensation expense	24,273	41,900
Bank interest income	(4,236)	(4,434)
Finance costs	91,604	92,252
Impairment on financial assets	7,871	10,866
Loss on derecognition of financial liabilities measured at amortised cost	11,728	6,195
Changes in fair value of investment properties	(1,024)	(3,468)
Changes in fair value of financial assets at FVTPL	(13,801)	(7,006)
Adjusted EBITDA	<u>438,234</u>	<u>319,196</u>

Revenue

The following table shows our revenue breakdown by each product in our subscription-based SaaS business and transaction-based SaaS business:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Subscription services	1,103,693	868,458
Value-added services	<u>1,297,629</u>	<u>1,132,531</u>
Total revenue	<u><u>2,401,322</u></u>	<u><u>2,000,989</u></u>

Our revenue in 2024 amounted to approximately HK\$2,401 million, representing an increase of approximately HK\$400 million, or approximately 20% as compared with the revenue of 2023 of approximately HK\$2,001 million. The increase was mainly attributed by (a) continued growth in our business in the US; and (b) the expansion of our business in the Mainland China, driven by strategic and commercial partnerships.

Gross profit and gross profit margin

Our gross profit in 2024 amounted to approximately HK\$1,051 million, representing an increase of approximately HK\$201 million as compared to 2023 of approximately HK\$850 million. Our gross profit margin increased from 42.5% in 2023 to 43.8% in 2024.

Selling and marketing expenses

Our selling and marketing expenses in 2024 amounted to approximately HK\$322 million, representing an increase of approximately HK\$37 million as compared to 2023 of approximately HK\$285 million. The increase was mainly due to the increase of sales and marketing initiatives during the year.

Administrative expenses

Our administrative expenses in 2024 amounted to approximately HK\$183 million, representing a decrease of approximately HK\$20 million as compared to 2023 of approximately HK\$203 million. The decrease in administrative expenses was mainly due to the decrease in equity-settled share compensation expenses.

Research and development expenses

Our research and development expenses in 2024 amounted to approximately HK\$271 million, representing an increase of approximately HK\$39 million as compared to 2023 of approximately HK\$232 million. The increase was mainly due to the increase of research and development activities in the current year for new products development to capture strategic growth opportunities.

Other income and gains

Other income mainly consisted of government grant, fair value gain on investment properties and financial assets at FVTPL.

Finance costs

Finance costs mainly consisted of interest expense on convertible bonds and interest-bearing borrowings of approximately HK\$91 million (2023: HK\$91 million) and interest expense on lease liabilities of approximately HK\$1 million (2023: HK\$1 million).

Income tax expense

Our income tax expense mainly comprised of tax expense in the Mainland China and deferred tax expense.

Profit/(loss) for the year

The profit for 2024 amounted to approximately HK\$158 million (2023: loss of approximately HK\$0.2 million). Basic earnings per share for 2024 was approximately HK\$0.0631 (basic loss per share for 2023: HK\$0.0035) and diluted earnings per share for 2024 was approximately HK\$0.0588 (diluted loss per share for 2023: HK\$0.0035).

Dividends

The Board does not recommend any payment of dividends for 2024 (2023: nil).

Consolidated Statement of Financial Position Highlights

	2024	2023
	HK\$'000	HK\$'000
Total assets	3,916,882	3,506,108
Total liabilities	1,624,945	1,366,296
Net assets	2,291,937	2,139,812
Total equity	2,291,937	2,139,812

Goodwill

Our goodwill amounted to HK\$1,147 million as at 31 December 2024 (31 December 2023: HK\$1,170 million). Goodwill is tested for impairment periodically and no impairment loss is considered necessary as at 31 December 2024.

Intangible assets

Our intangible assets amounted to HK\$521 million as at 31 December 2024, representing an increase of HK\$84 million as compared to 31 December 2023 of HK\$437 million.

Interest-bearing borrowings

As at 31 December 2024, the Group's interest-bearing borrowings amounted to approximately HK\$790 million as compared to approximately HK\$575 million as of 31 December 2023. HK\$428 million is repayable within one year, HK\$85 million is repayable in the second year and HK\$242 million is repayable in the third to five years and HK\$35 million is repayable beyond five years.

Convertible bonds

On 24 May 2024, the Company issued convertible bonds in an aggregate principal amount of HK\$159,997,200. The convertible bonds have an initial conversion price of HK\$1.87 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 3% per annum, payable semi-annually in arrears, and will mature in the two years from the issue date.

On 9 November 2024, the Company issued zero coupon convertible bonds in an aggregate principal amount of HK\$78,000,000. The convertible bonds have an initial conversion price of HK\$1.95 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in the three years from the issue date.

LIQUIDITY AND FINANCIAL RESOURCES

Working capital

As of 31 December 2024, our cash and cash equivalents amounted to approximately HK\$220 million, representing a decrease of HK\$20 million as compared to 2023 of approximately HK\$240 million. As of 31 December 2024, our current ratio, which is equivalent to the current assets divided by the current liabilities, was 1.8 times as compared with 2.0 times as at 31 December 2023.

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
REVENUE	4	2,401,322	2,000,989
Cost of services provided		<u>(1,349,859)</u>	<u>(1,150,832)</u>
Gross profit		1,051,463	850,157
Other income and gains	4	33,377	39,903
Selling and marketing expenses		(322,075)	(284,855)
Administrative expenses		(183,268)	(203,076)
Research and development expenses		(270,947)	(231,533)
Finance costs	6	(91,604)	(92,252)
Share of profits and losses of an associate		1	1
Other expenses		<u>(30,253)</u>	<u>(31,204)</u>
PROFIT BEFORE TAX	5	186,694	47,141
Income tax expense	7	<u>(28,203)</u>	<u>(47,351)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>158,491</u>	<u>(210)</u>
Attributable to:			
Owners of the Company		142,727	(7,818)
Non-controlling interests		<u>15,764</u>	<u>7,608</u>
		<u>158,491</u>	<u>(210)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic			
— for profit/(loss) for the year (HK\$)	9	<u>0.0631</u>	<u>(0.0035)</u>
Diluted			
— for profit/(loss) for the year (HK\$)	9	<u>0.0588</u>	<u>(0.0035)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PROFIT/(LOSS) FOR THE YEAR	<u>158,491</u>	<u>(210)</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(56,827)</u>	<u>(46,060)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Foreign exchange reserve difference	<u>(10,224)</u>	<u>—</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(67,051)</u>	<u>(46,060)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>91,440</u>	<u>(46,270)</u>
Attributable to:		
Owners of the Company	83,469	(50,730)
Non-controlling interests	<u>7,971</u>	<u>4,460</u>
	<u>91,440</u>	<u>(46,270)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		66,060	70,831
Investment properties	<i>10</i>	98,333	70,234
Right-of-use assets		25,791	13,014
Goodwill		1,146,561	1,170,392
Other intangible assets		521,034	436,696
Investment in associates		962	999
Financial assets at fair value through profit or loss	<i>11</i>	208,967	199,280
Deferred tax assets		35,294	86,615
Prepayments and deposits		1,679	2,485
Total non-current assets		<u>2,104,681</u>	<u>2,050,546</u>
CURRENT ASSETS			
Inventories		16,824	4,397
Trade receivables	<i>12</i>	1,402,212	1,057,247
Prepayments, other receivables and other assets		168,877	128,420
Tax recoverable		3,998	10,614
Pledged deposits		—	14,841
Cash and cash equivalents		220,290	240,043
Total current assets		<u>1,812,201</u>	<u>1,455,562</u>
CURRENT LIABILITIES			
Trade payables	<i>13</i>	466,713	450,875
Other payables and accruals		80,841	98,187
Interest-bearing borrowings		428,010	131,303
Lease liabilities		10,201	8,398
Tax payable		34,304	43,284
Convertible bonds	<i>14</i>	4,800	4,680
Total current liabilities		<u>1,024,869</u>	<u>736,727</u>
NET CURRENT ASSETS		<u>787,332</u>	<u>718,835</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,892,013</u>	<u>2,769,381</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Convertible bonds	<i>14</i>	201,184	103,000
Interest-bearing borrowings		362,286	443,951
Lease liabilities		11,794	5,143
Deferred tax liabilities		24,812	<u>77,475</u>
Total non-current liabilities		<u>600,076</u>	<u>629,569</u>
Net assets		<u><u>2,291,937</u></u>	<u><u>2,139,812</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>15</i>	450	441
Treasury shares		(6,536)	(32,604)
Equity component of convertible bonds	<i>14</i>	13,362	8,614
Reserves		2,091,044	<u>1,977,715</u>
		2,098,320	1,954,166
Non-controlling interests		<u>193,617</u>	<u>185,646</u>
Total equity		<u><u>2,291,937</u></u>	<u><u>2,139,812</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 28 July 2016 under the Companies Law, Chapter 22 of the Cayman Islands. The registered address of the office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Group was principally engaged in providing Software as a Service (“SaaS”).

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”) and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties under construction, financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year’s financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The new and revised standards are not relevant to the preparation of the Group’s financial statements.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group had only one reportable operating segment, which was offering SaaS to help content owners protect their content from unauthorised use, measure the viewership of their content, and monetize their content during the year. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	1,188,438	1,002,314
United States	1,184,267	982,777
Other countries/regions	<u>28,617</u>	<u>15,898</u>
Total revenue	<u><u>2,401,322</u></u>	<u><u>2,000,989</u></u>

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

(b) Non-current assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	1,224,455	1,137,390
United States	623,424	618,163
Other countries/regions	<u>12,541</u>	<u>9,098</u>
	<u><u>1,860,420</u></u>	<u><u>1,764,651</u></u>

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

Information about major customers

Revenue derived from sales to major customers, including sales to group of entities which are known to be under common control with those customers, which accounted for 10% or more of the Group's revenue for the year ended 31 December 2024 is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	<u><u>363,130</u></u>	<u><u>356,129</u></u>

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of services rendered during the year.

An analysis of revenue and other income and gains is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Rendering of services	<u>2,401,322</u>	<u>2,000,989</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Timing of revenue recognition		
Services transferred at a point of time	63,161	33,288
Services transferred overtime	<u>2,338,161</u>	<u>1,967,701</u>
	<u>2,401,322</u>	<u>2,000,989</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Rendering of services	<u>3,710</u>	<u>4,712</u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Rendering of services

The performance obligation is satisfied over time as services are rendered and advance payments are sometimes received for certain services. For SaaS services, payment is generally due within 30 to 180 days.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	<u>10,184</u>	<u>3,710</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income and gains		
Changes in fair value of investment properties	1,024	3,468
Changes in fair value of financial assets at FVTPL	15,522	7,006
Bank interest income	4,236	4,434
Foreign exchange gains	3,095	5,875
Government grants	8,235	18,927
Others	<u>1,265</u>	<u>193</u>
Total other income and gains	<u>33,377</u>	<u>39,903</u>

5. Profit before tax

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of services provided	1,349,859	1,150,832
Employee benefit expense (including Directors' and chief executive's remuneration):		
Wages and salaries	178,327	190,274
Equity-settled share compensation expense	24,273	41,900
Directors' fee	3,379	3,122
Other benefits	13,429	17,955
Pension scheme contributions*	<u>5,234</u>	<u>6,929</u>
	224,642	260,180
Depreciation of items of property, plant and equipment	15,575	9,489
Depreciation of right-of-use assets	7,311	11,898
Amortisation of other intangible assets**	112,239	114,363
Lease payments not included in the measurement of lease liabilities	5,524	4,229
Impairment of trade receivables, net	7,871	10,866
Research and development expenses	270,947	231,533
Auditor's remuneration	4,800	4,600
Bank interest income	(4,236)	(4,434)
Changes in fair value of investment properties	(1,024)	(3,468)
Changes in fair value of financial assets at FVTPL	(13,801)	(7,006)
Foreign exchange differences, net	<u>(3,095)</u>	<u>2,777</u>

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

** Amortisation of other intangible assets of HK\$53,073,000 for the year are included in "Cost of services provided" in the consolidated statement of profit or loss.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on other borrowings (including convertible bonds)	90,607	91,476
Nominal interest on lease liabilities	<u>997</u>	<u>776</u>
	<u>91,604</u>	<u>92,252</u>

7. INCOME TAX EXPENSE

Income tax consists primarily of United States, Mainland China, Hong Kong and Japan enterprise income tax charged on the Group. United States income tax applicable to the Group is charged at the federal tax rate of 21% (2023: 21%) for the year ended 31 December 2024. The income tax applicable to profits arising in Hong Kong was provided at a statutory tax rate of 16.5% during the year ended 31 December 2024. The income tax applicable to profits arising in Mainland China was provided at a statutory tax rate of 25% during the year ended 31 December 2024 except for certain subsidiaries of the Group in Mainland China, that were accredited as a “High and New Technology Enterprise” and entitled to a preferential rate is 15%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The major components of income tax expense for the year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current — United States		
Charge for the year	1,132	3,352
Current — Mainland China		
Charge for the year	28,265	33,885
Current — Australia		
Charge for the year	139	—
Current — Japan		
Charge for the year	9	10
Deferred tax (credit)/expenses	<u>(1,342)</u>	<u>10,104</u>
Total tax expense for the year	<u><u>28,203</u></u>	<u><u>47,351</u></u>

8. DIVIDENDS

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

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 2,263,077,536 (2023: 2,222,839,130) in issue during the year, as adjusted to reflect the issue of shares and exercise of share options during the year.

The calculation of the diluted earnings per share amounts for the year ended 31 December 2024 is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive share options into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2023 in respect of a dilution as the impact of the share option scheme had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of earnings/(loss) per share attributable to owners of the Company for each of the years ended 31 December 2024 and 2023 are based on the following data:

	2024	2023
	HK\$'000	HK\$'000
Profit/(loss)		
Profit/(loss) attributable to owners of the Company,		
used in the basic and diluted earnings/(loss) per share calculation	142,727	(7,818)
Interest on convertible bonds	<u>18,139</u>	<u>10,644</u>
Profit attributable to owners of the Company		
before interest on convertible bond	<u>160,866*</u>	<u>2,826**</u>
Shares		
Weighted average number of ordinary shares in issue during the year		
used in the basic earnings/(loss) per share calculation	2,263,077,536	2,222,839,130
Effect of dilution — Weighted average number of ordinary shares:		
Share options	165,038,989	192,399,671
Convertible bonds	<u>78,239,503</u>	<u>21,992,481</u>
Weighted average number of ordinary share options for the purpose of		
diluted earnings/(loss) per share calculation	<u>2,506,356,028*</u>	<u>2,437,231,282**</u>

* Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the year ended 31 December 2024 and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amount is based on the profit for the year ended 31 December 2024 attributable to owners of the Company of HK\$142,727,000, and the weighted average number of ordinary shares of 2,428,116,525 in issue during the year ended 31 December 2024.

** Because the diluted loss per share amount is decreased when taking share options and convertible bonds into account, the share options and convertible bonds had an anti-dilutive effect on the basic loss per share for the year ended 31 December 2023 and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amount is based on the loss for the year ended 31 December 2023 attributable to owners of the Company of HK\$7,818,000, and the weighted average number of ordinary shares of 2,222,839,130 in issue during the year ended 31 December 2023.

10. INVESTMENT PROPERTIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Carrying amount at 1 January	70,234	66,446
Additions	29,637	1,778
Net gain from a fair value adjustment	1,024	3,468
Exchange realignment	<u>(2,562)</u>	<u>(1,458)</u>
Carrying amount at 31 December	<u>98,333</u>	<u>70,234</u>

The Group's investment properties consist of commercial properties in the Mainland China, the investment properties under construction amounted to HK\$86,889,000 which will be held under leasehold interests to earn rentals and for capital appreciation after completion are measured using the fair value model, and are classified and accounted for as investment properties. The fair value as at 31 December 2024 assessed by the third-party amounted to HK\$98,333,000. In determining the fair value of the relevant investment properties, the Group engages in independent professional property valuers to perform the valuation. The management works closely with the independent professional property valuers to establish the appropriate valuation techniques and inputs to the model. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management reports the valuation report and findings to the Board of Directors of the Group yearly to explain the cause of fluctuations in the fair value of the investment properties.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Call option, at fair value	147,486	137,014
Unlisted investments, at fair value	<u>61,481</u>	<u>62,266</u>
	<u>208,967</u>	<u>199,280</u>

The above equity investments were classified as financial assets at FVTPL as the Group has not elected to recognise the fair value gain or loss through other comprehensive income. The above unlisted investments were asset management schemes managed by non-bank financial institutions. The above call option is a derivative financial instrument which allow the Group, at the Group's discretion, to acquire the remaining 38.82% in Particle Technology at consideration of RMB542 million in steps in 2025.

12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	1,421,752	1,068,916
Impairment	<u>(19,540)</u>	<u>(11,669)</u>
	<u>1,402,212</u>	<u>1,057,247</u>

The Group's trading terms with its debtors are usually 10 to 180 days. The Group always recognises lifetime expected credit losses ("ECL") for all trade receivables and measures the lifetime ECL on a specific basis according to management's assessment of the recoverability of an individual receivable. Management considers the number of days that an individual receivable is outstanding, historical experience and forward-looking information to determine the recoverability of the trade receivable. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

An ageing analysis of the current trade receivables as at 31 December 2024, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 year	1,345,764	1,033,610
Over 1 year	53,558	23,637
Over 2 years	<u>2,890</u>	<u>—</u>
	<u>1,402,212</u>	<u>1,057,247</u>

The movements in loss allowance for impairment of trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of year	11,669	803
Impairment of trade receivables, net	<u>7,871</u>	<u>10,866</u>
At end of year	<u>19,540</u>	<u>11,669</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Current	Past due			Total
		Less than 1 year	1 to 2 years	Over 2 years	
Expected credit loss rate	0.05%	1.67%	12.74%	70.75%	1.37%
Gross carrying amount (HK\$'000)	1,099,586	250,909	61,378	9,879	1,421,752
Expected credit losses (HK\$'000)	553	4,178	7,820	6,989	19,540

As at 31 December 2023

	Current	Past due			Total
		Less than 1 year	1 to 2 years	Over 2 years	
Expected credit loss rate	0.08%	4.71%	19.46%	100%	1.09%
Gross carrying amount (HK\$'000)	946,250	92,423	29,348	895	1,068,916
Expected credit losses (HK\$'000)	714	4,349	5,711	895	11,669

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK\$'000	HK\$'000
Within 1 year	<u>466,713</u>	<u>450,875</u>

The trade payables are non-interest-bearing and are normally settled on within 1 year terms.

14. CONVERTIBLE BONDS

On 24 May 2024, the Company issued convertible bonds in an aggregate principal amount of HK\$159,997,200. The convertible bonds have an initial conversion price of HK\$1.87 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 3% per annum, payable semi-annually in arrears, and will mature in the two years from the issue date. The annual effective interest rate of the debt component is 6.8%.

On 9 November 2024, the Company issued zero coupon convertible bonds in an aggregate principal amount of HK\$78,000,000. The convertible bonds have an initial conversion price of HK\$1.95 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in the three years from the issue date. The annual effective interest rate of the debt component is 5.7%. On 29 November 2024, the bondholders converted convertible bonds in the principal amount of HK\$15,600,000 into 8,000,000 shares with conversion price of HK\$1.95 per share.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds issued during the year have been split into the liability and equity components as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Liability component at 1 January	107,680	101,686
Nominal value of convertible bonds issued during the year	237,997	—
Equity component	(15,540)	—
Liability component at issuance date	222,457	—
Interest expense	18,139	10,644
Interest paid	(10,559)	(4,446)
Redemption of convertible bonds	(118,503)	—
Conversion of convertible bonds	(12,839)	—
Exchange realignment	(391)	(204)
Liability component at 31 December	205,984	107,680
Interest payable classified as current liabilities	(4,800)	(4,680)
Non-current portion	201,184	103,000

15. SHARE CAPITAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Issued and fully paid (US\$0.000025 per share):		
2,284,443,656 ordinary shares (2023: 2,240,443,656 ordinary shares)	450	441

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital <i>HK\$'000</i>	Number of treasury shares	Treasury shares <i>HK\$'000</i>	Number of treasury shares for the Plan	Treasury shares <i>HK\$'000</i>
At 1 January 2023	2,117,596,656	417	—	—	28,878,462	(79,893)
Shares repurchased for share award plan (a)	—	—	—	—	450,000	(1,310)
Transferred during the year for share award plan (a)	—	—	—	—	(17,553,194)	48,599
Issue of shares (b)	114,127,000	22	—	—	—	—
Exercise of share options (c)	<u>8,720,000</u>	<u>2</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2023 and 1 January 2024	2,240,443,656	441	—	—	11,775,268	(32,604)
Shares repurchased for share award plan (a)	—	—	—	—	590,000	(698)
Transferred during the year for share award plan (a)	—	—	—	—	(10,904,370)	30,193
Shares repurchased (d)	—	—	1,445,000	(3,427)	—	—
Issue of shares upon conversion of convertible bonds (e)	8,000,000	2	—	—	—	—
Exercise of share options (f)	<u>36,000,000</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2024	<u><u>2,284,443,656</u></u>	<u><u>450</u></u>	<u><u>1,445,000</u></u>	<u><u>(3,427)</u></u>	<u><u>1,460,898</u></u>	<u><u>(3,109)</u></u>

Notes:

- (a) On 6 May 2019, the Board adopted a 10-year share award plan (the “Plan”) to incentivise, recognise and reward the contributions of certain eligible persons (“Eligible Persons”) to the growth and development of the Group.

Pursuant to the Plan, the ordinary shares of US\$0.000025 each in the capital of the Company will be acquired by the trustee at the cost of the Company and will be held in trust for the Eligible Persons before vesting. The total number of shares granted under the Plan shall be limited to 10% of the total issued share capital of the Company.

The Board has delegated the power and authority to a trustee to handle operational matters of the Plan but all major decisions in relation to the Plan shall be made by the Board unless expressly provided for in the Plan rules pursuant to the Plan or the Board resolves to delegate such power to the trustee.

Pursuant to the Plan rules, the Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit, select any participants for participation in the Plan as Eligible Persons and determine the number of awarded shares.

In 2024, 590,000 shares (2023: 450,000) were purchased by the trustees and 10,904,370 shares (2023: 17,553,194 shares) were granted and transferred under the Plan. The purchase of shares by a trustee for settlement of awards under the Plan are referred to as “treasury shares for the Plan” and included in “treasury shares” in the consolidated statement of financial position.

- (b) On 7 February 2023, the Company completed the placement of 114,127,000 Shares to no less than six places at a subscription price of HK\$4.12 per Share.
- (c) In 2023, the subscription rights attaching to 8,600,000 and 120,000 share options were exercised at the subscription price of HK\$0.875 and US\$0.03125 per share, respectively, resulting in the issue of 8,720,000 shares for a total cash consideration, before expenses, of HK\$7,555,000. An amount of HK\$3,578,000 was transferred from the share compensation reserve to share capital upon the exercise of the share options.
- (d) In 2024, the Company bought back 1,445,000 shares on the market. The shares were acquired at a consideration of HK\$3,418,000 and an average price before expenses of HK\$2.3654 per share, with prices ranging from HK\$2.22 to HK\$2.53. The total amount of HK\$3,427,000 paid to acquire the shares has been deducted from total equity.
- (e) On 9 November 2024, the Company issued zero coupon convertible bonds in the aggregate principal amount of HK\$78,000,000 to bondholders. On 29 November 2024, the bondholders converted convertible bonds in the principal amount of HK\$15,600,000 into 8,000,000 shares with conversion price of HK\$1.95 per share.
- (f) In 2024, the subscription rights attaching to 32,000,000 and 4,000,000 share options were exercised at the subscription price of US\$0.034375 and HK\$0.875 per share, respectively, resulting in the issue of 36,000,000 shares for a total cash consideration, before expenses, of HK\$12,088,000. An amount of HK\$4,483,000 was transferred from the share compensation reserve to share capital upon the exercise of the share options.

OTHER INFORMATION

Significant investments, acquisitions and disposal

We did not have any significant investment nor material disposal during 2024.

Capital expenditures

In 2024, our capital expenditures primarily included purchases of property, plant and equipment, investment properties and intangible assets. The amount of our capital expenditures in 2024 was HK\$255 million (2023: HK\$212 million).

Foreign exchange exposure

In light of the nature of our business, we are exposed to various foreign currencies, among which, USD and RMB are mostly used apart from HK\$. To minimise the impact of foreign currency rate volatility, we monitor foreign currency risk at operational level closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Company did not use any financial instruments for hedging purposes for the year.

Gearing ratio

Our Group monitors capital using gearing ratio, which is net external debt divided by the capital (equity attributable to owners of the Company) plus net debt. Net debt includes convertible bonds and interest-bearing borrowings, less cash and cash equivalents. As of 31 December 2024, our gearing ratio, calculated as net debt divided by the equity attributable to owners of the Company plus net debt, was 27% (31 December 2023: 18%).

Contingent liabilities, off balance sheet commitments and arrangements and pledge of assets

As of 31 December 2024, we did not have (i) any material contingent liabilities or guarantees, (ii) any liabilities under acceptance trade receivables or acceptable credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantee material covenants, or other material contingent liabilities, or (iii) any material off-balance sheet arrangements.

Use of proceeds from issue of convertible bonds and placement of shares

On 24 May 2024, the Company issued convertible bonds in the aggregate principal amount of approximately HK\$160 million, raised net proceeds of HK\$155 million. As at 31 December 2024, the Company has fully utilised the net proceeds as intended. The table below sets out the details of actual usage of the net proceeds as at 31 December 2024.

Intended use of proceeds	Initial intended allocation <i>(HK\$ million)</i>	Net proceeds utilised during the year ended 31 December 2024 <i>(HK\$ million)</i>	Unutilised net proceeds as at 31 December 2024 <i>(HK\$ million)</i>	Expected timeline of full utilisation
Development and investment of AIGC related business	116	116	—	N/A
Repayment of interest-bearing borrowings	39	39	—	N/A
	<u>155</u>	<u>155</u>	<u>—</u>	

On 9 November 2024, the Company issued convertible bonds in the aggregate principal amount of HK\$78 million, raised net proceeds of HK\$74 million. As at 31 December 2024, the Company has utilised HK\$55 million of the net proceeds as intended. The table below sets out the details of actual usage of the net proceeds as at 31 December 2024.

Intended use of proceeds	Initial intended allocation <i>(HK\$ million)</i>	Net proceeds utilised during the year ended 31 December 2024 <i>(HK\$ million)</i>	Unutilised net proceeds as at 31 December 2024 <i>(HK\$ million)</i>	Expected timeline of full utilisation
Investment	56	37	19	31 December 2025
General working capital	18	18	—	N/A
	<u>74</u>	<u>55</u>	<u>19</u>	

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, we employed a total of 535 staff (as at 31 December 2023: 578 staff). Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of each individual employee, and are subject to review from time to time.

The remuneration of the Directors is reviewed by the remuneration committee of the Company and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for our Group to formulate its business strategies and policies, and to enhance its transparency and accountability. The Company has applied the principles as set out in the CG Code which are applicable to the Company.

In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 31 December 2024, save and except for code provision A.2.1 which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yangbin Bernard WANG is both our Chairman and Chief Executive Officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe Mr. Wang is instrumental to our growth and business expansion since our establishment in 2005. The Board considers that the roles of chairman and chief executive officer being vested in the same person is beneficial to the business prospects, management and overall strategic direction of our Group by ensuring consistent leadership within our Group and facilitating more effective and efficient overall strategic planning and decision-making for our Group. In addition, the Board meets regularly to consider major matters affecting the operations of our Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. In addition, under the supervision of the Board which is comprised of two executive Directors, two non-executive Director and four independent non-executive Directors as at the date of this announcement, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not segregate the roles of Chairman and Chief Executive Officer.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the year ended 31 December 2024. The Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of the Company's securities, without noticing any violation of the guidelines.

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

The Directors of the Company have been granted the general mandate (the “**Share Repurchase Mandate**”) pursuant to resolutions of the Shareholders passed on 28 June 2024, to repurchase shares of the Company on the Stock Exchange. Pursuant to the Share Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares as at the date of passing of the resolution.

During the year ended 31 December 2024, the Company repurchased, under the Share Repurchase Mandate, a total of 1,445,000 shares (the “**Repurchased Shares**”) representing approximately 0.06% of the issued shares of the Company as at 31 December 2024 for a consideration of HK\$3,418,000, excluding transaction cost). Details of the Repurchased Shares are set out below:

Month	Number of Shares repurchased	Highest Purchase Price (HK\$)	Lowest Purchase Price (HK\$)	Aggregate Consideration (HK\$)
October 2024	<u>1,445,000</u>	<u>2.53</u>	<u>2.22</u>	<u>3,418,000</u>

As of 31 December 2024, 1,445,000 Repurchased Shares were not cancelled and were held by the Company as treasury shares (as defined in the Listing Rules) intended to be used in accordance with the applicable rules and regulations, including but not limited to resale for cash, transfer to satisfy share grants and cancellations under the Share Award Plan. During the year ended 31 December 2024, the Company did not sell or transfer any treasury shares. The share repurchase was financed by the Company with its existing available cash.

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)).

EVENTS AFTER THE REPORTING PERIOD

On 18 February 2025, the Company entered into a subscription agreement with the Investor to issue convertible bonds in the aggregate principal amount of HK\$234 million. The convertible bonds have an initial conversion price of HK\$4.18 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in three years from the issue date. The issuance of the convertible bonds has not been completed as at the date of this announcement.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Alfred Tsai CHU, Mr. Charles Eric EESLEY and Mr. KWAN Ngai Kit, and one non-executive Directors, namely, Mr. J David WARGO. The chairman of the Audit Committee is Mr. KWAN Ngai Kit.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024 and was of the opinion that the preparation of such annual results had been prepared in accordance with the relevant accounting standards and that adequate disclosures have been made in accordance with the requirements of the Listing Rules.

SCOPE OF WORK ON THE RESULTS ANNOUNCEMENT BY AUDITORS

The figures in respect of our Group's consolidated statement of financial position as at 31 December 2024 and consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by our Group's auditors, Ernst & Young, to the amounts set out in our Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.vobilegroup.com). The Company will publish the 2024 annual report containing all the information as required by the Listing Rules and publish it on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Bondholder”	Lucion International Investment Limited, a company incorporated under the laws of Hong Kong with limited liability
“CG Code”	the corporate governance code as set out in Appendix C1 to the Listing Rules
“Company”	Vobile Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“FVTPL”	fair value through profit or loss
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards
“IP”	Intellectual property
“Investor”	Honour International Investment (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Wang”	Mr. Yangbin Bernard WANG

“Particle Technology”	Hangzhou Particle Culture Technology Co., Ltd. and its subsidiaries and Hangzhou New Particle Culture Technology Co., Ltd. and its subsidiaries
“PRC” or “China”	the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“RMB” or “Renminbi”	the lawful currency of the PRC
“SaaS”	Software as a Service
“Share(s)”	ordinary share(s) of US\$0.000025 each in the share capital of the Company
“Share Award Plan”	the share award plan of the Company adopted on 6 May 2019, and where appropriate, includes all amendments thereto
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “USD”	the lawful currency of the United States
“Vobile HK”	Vobile Group (HK) Limited, a wholly owned subsidiary of the Company

By Order of the Board
Vobile Group Limited
Yangbin Bernard Wang
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Yangbin Bernard WANG and Mr. WONG Wai Kwan as executive directors; Ms. CHAN, Laverna Jun Lin, Mr. J David WARGO and Mr. TANG Yi Hoi Hermes as non-executive directors; and Mr. Alfred Tsai CHU, Mr. Charles Eric EESLEY and Mr. KWAN Ngai Kit as independent non-executive directors.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a lot of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.