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## Inkeverse Group Limited

映宇宙集团有限公司

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

**(Stock Code: 3700)**

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

#### FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Year-on-Year Change*
	2024	2023	
	RMB'000	RMB'000	%
Revenue	6,850,721	6,844,788	0.1
Cost of sales	(3,508,024)	(4,011,689)	(12.6)
Gross profit	3,342,697	2,833,099	18.0
Costs for the period (selling and marketing, administrative, and research and development expenses)	(3,001,232)	(2,572,981)	16.6
Other operating (losses)/earnings	(121,174)	164,042	(173.9)
Operating profit**	220,291	424,160	(48.1)
Profit for the year	216,642	400,558	(45.9)
Non-IFRS Accounting Standards adjusted net profit***	234,393	425,974	(45.0)
	As at 31 December		Year-on-Year Change*
	2024	2023	
	RMB'000	RMB'000	%
Intangible assets****	214,243	56,585	278.6
Non-current assets	1,607,414	1,166,742	37.8
Current assets	3,964,919	3,978,967	(0.4)
Total assets	5,572,333	5,145,709	8.3

\* Year-on-year change represents a comparison between the current reporting year and the corresponding period of last year.

\*\* Operating profit was calculated by deducting costs for the period (selling and marketing, administrative, and research and development expenses) from gross profit, and other operating (losses)/earnings were calculated from net impairment losses on financial assets, other income and other (losses)/gains — net.

\*\*\* Non-IFRS Accounting Standards adjusted net profit was calculated using profit for the year, eliminating the effect of non-cash share-based compensation expenses.

\*\*\*\* As at 31 December 2024, intangible assets included cryptocurrencies amounted to approximately RMB 173 million.

## OPERATING HIGHLIGHTS

The following table sets forth the key operating data for the Group's major products:

	For the year ended 31 December 2024	2023	Year-on-Year Change* %
Average monthly active users ("MAUs")** (in thousands)	20,836	22,808	(8.6)
Average monthly revenue per user ("ARPU")** (in RMB)	27.4	25.0	9.6

\* Year-on-year change represents a comparison between the current reporting year and last year.

\*\* Average MAUs and ARPU are based on the major products of the Group.

The shares (the "Share(s)") of Inkeverse Group Limited ("Inkeverse" or the "Company") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 12 July 2018 (the "Listing Date").

The board (the "Board") of directors (the "Director(s)") of the Company is pleased to announce the audited consolidated annual results (the "Annual Results") of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 (the "Reporting Period").

## **BUSINESS REVIEW AND OUTLOOK**

In 2024, the Group steadily advanced its principal businesses, consistently pursuing high-quality development. Through the integration and optimization of our live streaming and social networking businesses, the Group continuously enhanced its long-term operational and sustainable development capabilities. In addition, the Group continued to explore more diversified commercial and operational models in terms of product and business innovation, steadily expanding its overseas business, and has established a core market primarily in Southeast Asia in our overseas markets, with promising expansion momentum in other emerging markets.

In 2025, the Group will proactively adjust its strategic plan according to the evolving and changing market environment, adhere to its long-term development strategy and expand into overseas emerging markets. At the same time, the Group will continue to focus on the development layout of cutting-edge fields such as AI and Web3.0, so as to solidify the foundation of the Group's business while exploring new development opportunities, thereby creating greater value for our shareholders.

### **BUSINESS REVIEW**

#### **Building a solid principal business foundation and healthy development ecosystem**

As the Group's principal businesses, the live streaming and social networking businesses have maintained steady development over the long term. Leveraging efficient technological iterations, diverse operational gameplay and a mature commercial model, the Company has consistently sustained stable user and revenue scales. The Group has always been committed to fostering a healthy and sustainable development ecosystem. On the one hand, it has continuously introduced innovative interactive gameplay and implemented refined user management to enhance users' experience and engagement. On the other hand, the Group has adopted flexible incentive policies and diversified partnership models, to further strengthen overall users' loyalty to the platform and create a healthy and sustainable ecosystem of platform development. Besides, the Group has always stayed at the forefront of business, identifying emerging user's needs and swiftly adapting to market's changes by optimizing the combination of the product matrix. Amidst intense industry and market competition as well as a complex external environment, the Group has improved operational efficiency while continuously consolidating resources and adjusting its development strategy, laying a solid foundation for long-term sustainable development.

#### **Accelerating stabilization of innovative business and creating diversified growth pathways**

The Group has been dedicated to enriching its product portfolio and business structure through innovation across different regions, markets and niche sectors. The Group has achieved continuous upward breakthroughs and expansion capabilities by consistently promoting product innovation and development. In terms of playlets, the Group has formed stable

production capacity and scale advantages by virtue of its early entry advantage and continuous integration of upstream and downstream resources. The team has refined themes selection mechanisms, enhanced the ability to produce hit-making playlets and consistently delivered high-quality works, so as to further solidify its leading position in the industry. In terms of overseas, the Group has gradually developed a product layout with Southeast Asia as the core of expansion and ongoing expansion into surrounding regions. In newly entered emerging markets, the Group's products have steadily built a strong reputation, laying the groundwork for users' growth and regional penetration. In emerging fields, the Group remains optimistic about the future development potential of Web3.0 and blockchain industries. The Group has begun strategic positioning by holding cryptocurrencies in 2024, preparing for future advancements in these emerging fields.

## **BUSINESS OUTLOOK**

### **Strengthening the principal business foundation and enhancing production capacity through continuous integration**

The Group will consistently monitor developments in the pan-entertainment industry with a prudent yet keen attitude, deeply identifying and analyzing industry trends and potential opportunities. The Group will concentrate its superior resources on integration and optimization of product lines related to its principal business, so as to continuously improve production capacity. Furthermore, the Group will focus on emerging business areas, striving to build a more diversified business system with greater development potential, thereby solidifying the foundation for the Group's sustainable development.

### **Focusing on overseas markets and unlocking global growth opportunities**

The Group will continue to explore overseas markets, expand its local teams abroad and align with local cultures and regional characteristics to steadily enhance the penetration rate of overseas products. Based on the stable development of existing overseas products, the Group will actively expand into more regions with growth potential and diversify its product portfolio to promote the diversified development of overseas markets. Through localization and refinement operation of different products, the Group will explore strategies for optimizing cross-regional resource allocation, unlocking more growth opportunities under the trend of globalization.

### **Embracing emerging technology transformations and driving growth through innovation**

The Group actively embraces emerging technology transformations. With the continuous upgrading of cutting-edge technologies such as AI and Web3.0, the content ecosystem and creation efficiency will experience exponential improvements and decentralized social scenarios will bring disruptive changes to existing social application scenarios. Breakthroughs in emerging technologies will revolutionize the industry, reshaping its ecological structure. The Group will persistently explore new ideas and methods for products and operations, leveraging innovation to enhance efficiency and drive growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table is a summary of the Group's consolidated statement of comprehensive income with line items in absolute amounts and as percentages of the Group's total revenue for the years indicated, together with the change (expressed in percentages) from the year ended 31 December 2023 to the year ended 31 December 2024:

	For the year ended 31 December				Change %
	2024		2023		
	RMB'000	%	RMB'000	%	
Revenue	6,850,721	100.0	6,844,788	100.0	0.1
Cost of sales	(3,508,024)	(51.2)	(4,011,689)	(58.6)	(12.6)
<b>Gross profit</b>	<b>3,342,697</b>	<b>48.8</b>	<b>2,833,099</b>	<b>41.4</b>	<b>18.0</b>
Selling and marketing expenses	(2,535,615)	(37.0)	(2,073,756)	(30.3)	22.3
Administrative expenses	(263,383)	(3.8)	(227,269)	(3.3)	15.9
Research and development expenses	(202,234)	(3.0)	(271,956)	(4.0)	(25.6)
Net impairment losses on financial assets	(8,563)	(0.1)	(13,062)	(0.2)	(34.4)
Other income	16,859	0.2	38,555	0.6	(56.3)
Other (losses)/gains — net	(129,470)	(1.9)	138,549	2.0	(193.4)
<b>Operating profit</b>	<b>220,291</b>	<b>3.2</b>	<b>424,160</b>	<b>6.2</b>	<b>(48.1)</b>
Finance income	46,034	0.7	38,738	0.6	18.8
Finance costs	(3,546)	(0.1)	(3,260)	(0.0)	8.8
<b>Finance income — net</b>	<b>42,488</b>	<b>0.6</b>	<b>35,478</b>	<b>0.5</b>	<b>19.8</b>
Share of (loss)/profit of investments accounted for using the equity method	(14,490)	(0.2)	20,909	0.3	(169.3)
<b>Profit before income tax</b>	<b>248,289</b>	<b>3.6</b>	<b>480,547</b>	<b>7.0</b>	<b>(48.3)</b>
Income tax expense	(31,647)	(0.5)	(79,989)	(1.2)	(60.4)
<b>Profit for the year</b>	<b>216,642</b>	<b>3.2</b>	<b>400,558</b>	<b>5.9</b>	<b>(45.9)</b>

	For the year ended 31 December				Change %
	2024 RMB'000	%	2023 RMB'000	%	
<b>Other comprehensive income/(loss)</b>					
Items that may be reclassified to profit or loss:					
Currency translation differences	(2,889)	(0.0)	(4,569)	(0.1)	(36.8)
Items that will not be reclassified to profit or loss:					
Currency translation differences	13,535	0.2	15,876	0.2	(14.7)
<b>Other comprehensive income for the year, net of tax</b>	10,646	0.2	11,307	0.2	(5.8)
<b>Total comprehensive income for the year, net of tax</b>	227,288	3.3	411,865	6.0	(44.8)
<b>Profit attributable to:</b>					
— The owners of the Company	180,312	2.6	386,529	5.6	(53.4)
— Non-controlling interests	36,330	0.5	14,029	0.2	159.0
<b>Profit for the year</b>	216,642	3.2	400,558	5.9	(45.9)
<b>Total comprehensive income attributable to:</b>					
— The owners of the Company	190,958	2.8	397,836	5.8	(52.0)
— Non-controlling interests	36,330	0.5	14,029	0.2	159.0
	227,288	3.3	411,865	6.0	(44.8)
<b>Earnings per share attributable to the shareholders of the Company (expressed in RMB per share):</b>					
— Basic earnings per share	0.10		0.21		
— Diluted earnings per share	0.10		0.21		

### ***Revenue***

The Group's revenue for the Reporting Period amounted to approximately RMB6,850.7 million, representing an increase of 0.1% from approximately RMB6,844.8 million in 2023, which remained stable as compared to the revenue of the corresponding period in 2023.

### ***Cost of Sales***

The Group's cost of sales decreased by 12.6% to approximately RMB3,508.0 million for the Reporting Period from approximately RMB4,011.7 million in 2023, mainly attributable to the adjustment of the Group's business composition and the change of business model.

### ***Gross Profit and Gross Profit Margin***

As a result of the foregoing, the Group's gross profit increased by 18.0% from approximately RMB2,833.1 million in 2023 to approximately RMB3,342.7 million for the Reporting Period, and the Group's gross profit margin increased from 41.4% in 2023 to 48.8% for the Reporting Period.

### ***Selling and Marketing Expenses***

The Group's selling and marketing expenses increased by 22.3% from approximately RMB2,073.8 million in 2023 to approximately RMB2,535.6 million for the Reporting Period. The Group's selling and marketing expenses as a percentage of the Group's revenue increased from 30.3% in 2023 to 37.0% for the Reporting Period, primarily because the Group increased the marketing and advertising efforts, resulting in an increase in selling and marketing expenses.

### ***Administrative Expenses***

The Group's administrative expenses increased by 15.9% from approximately RMB227.3 million in 2023 to approximately RMB263.4 million for the Reporting Period, primarily due to Group's optimisation of staff and adjustment to the structure.

### ***Research and Development Expenses***

The Group's research and development expenses decreased by 25.6% from approximately RMB272.0 million in 2023 to approximately RMB202.2 million for the Reporting Period. The decrease was mainly due to the Group's continuous adjustment to its operational strategy for the optimisation of its staff structure, thus led to a decrease in staff costs.

### ***Net Impairment Losses on Financial Assets***

Impairment losses on financial assets of the Group decreased from approximately RMB13.1 million in 2023 to approximately RMB8.6 million for the Reporting Period, mainly due to the decrease in the expected credit impairment losses on other receivables and trade receivables.

### ***Other Income***

The Group's other income decreased by 56.3% from approximately RMB38.6 million in 2023 to approximately RMB16.9 million for the Reporting Period, primarily because business incentives received from the government were reduced.

### ***Other (Losses)/Gains — Net***

The Group's other (losses)/gains — net switched from a net gain of approximately RMB138.5 million in 2023 to a net loss of approximately RMB129.5 million for the Reporting Period. The change was mainly due to the continuous assessment by the Board on the Group's investment business, including the assessment of value of the investment business in equity interests and others, as well as investment properties, which resulted in recorded losses for the Group.

### ***Operating Profit***

As a result of the foregoing, the Group's operating profit decreased by 48.1% from an operating profit of approximately RMB424.2 million in 2023 to an operating profit of approximately RMB220.3 million for the Reporting Period.

### ***Finance Income — Net***

The Group's net finance income increased by 19.8% from approximately RMB35.5 million in 2023 to approximately RMB42.5 million for the Reporting Period, primarily due to an increase in the bank interest income during the Reporting Period.

### ***Share of (Loss)/Profit of Investments Accounted for Using the Equity Method***

The Group's share of loss of investments accounted for using the equity method was approximately RMB14.5 million for the Reporting Period, and the share of profit of investments accounted for using the equity method was approximately RMB20.9 million in 2023. This was mainly due to the increase in the investment loss recognised during the Reporting Period by the associates and joint ventures invested by the Group.



### ***Income Tax Expense***

During the Reporting Period, the Group's income tax expense was approximately RMB31.6 million, representing a decrease of 60.4% as compared to the income tax expense of the corresponding period in 2023. The decrease in income tax expense was primarily due to the year-on-year decrease in the net operating profit.

### ***Profit for the Year***

As a result of the foregoing, the Group recorded a profit for the year of approximately RMB216.6 million for the Reporting Period, representing a decrease of 45.9% from a profit for the year of approximately RMB400.6 million in 2023.

### ***Non-IFRS Accounting Standards Measure — Adjusted Net Profit***

To supplement the Group's consolidated annual financial statements which are presented in accordance with the International Financial Reporting Standards (“**IFRS Accounting Standards**”), the Group also uses adjusted net profit as an additional financial measure. The Group's adjusted net profit eliminates the effect of non-cash share-based compensation expenses. The table below sets forth the reconciliation of adjusted net profit for the years indicated:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the year	<b>216,642</b>	400,558
Add: non-cash share-based compensation expenses <sup>(1)</sup>	<b>17,751</b>	25,416
<b>Adjusted net profit<sup>(2)</sup></b>	<b>234,393</b>	425,974

#### *Notes:*

- (1) Refers to share-based compensation benefits provided to certain employees pursuant to the employee share scheme.
- (2) To supplement our consolidated annual financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit as an additional financial measure. We present this financial measure because it is used by our management to evaluate our operating performance. We also believe that this non-IFRS Accounting Standards measure provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies. Adjusted net profit is calculated using profit for the year and adding back non-cash share-based compensation expenses. The term of adjusted net profit is not defined under IFRS Accounting Standards. The use of adjusted net profit has material limitations as an analytical tool, as it does not include all items that impact our net profit for the year.

### ***Liquidity and Capital Resources***

For the Reporting Period, the Group financed its operations primarily through cash generated from the Group's operating activities. The Group intends to finance its expansion and business operations with internal resources and through sustainable growth. As at 31 December 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 3.7 and the gearing ratio (the total liabilities to total equity ratio) was 0.3, as compared to 4.9 and 0.2, respectively, as at 31 December 2023.

### ***Cash and Cash Equivalents and Restricted Cash***

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB2,195.7 million (31 December 2023: approximately RMB2,362.3 million), which primarily consisted of cash and cash equivalents held at banks and at third party payment platforms. Out of approximately RMB2,195.7 million includes, approximately RMB1,525.0 million is denominated in Renminbi, and approximately RMB670.7 million is denominated in other currencies (primarily United States dollars ("US Dollars")). The Group independently adjusts its foreign currency holdings to ensure the smooth development of overseas business.

As of 31 December 2024, the restricted cash balance of the Group was approximately RMB319.6 million (31 December 2023: approximately RMB58.4 million). Within the total restricted cash balance, approximately RMB28.4 million (31 December 2023: approximately RMB34.5 million) were cash frozen by the local regulatory authorities in connection with the relevant investigation related to the case as disclosed in the section headed "Contingent Liabilities and Guarantees" in this Annual Results announcement. The Company expects that the above funds would likely be released upon the completion of the investigation of relevant cases.

### ***Financial Assets at Fair Value through Profit or Loss***

As of 31 December 2024, the Group had current and non-current financial assets at fair value through profit or loss of approximately RMB759.4 million (31 December 2023: approximately RMB924.1 million), mainly comprised (a) investment products of approximately RMB564.8 million in aggregate (31 December 2023: approximately RMB725.5 million); and (b) investments in financial instruments with preferred rights of approximately RMB194.5 million (31 December 2023: approximately RMB198.6 million).

	<b>Balance as at 31 December 2024 RMB'000</b>	Balance as at 31 December 2023 RMB'000
<b>Financial Assets</b>		
<b>Current</b>		
Investment products <sup>(1)</sup>		
— Listed Equity	<b>302,439</b>	130,663
— Funds	<b>147,410</b>	543,227
— Others	<b>115,000</b>	51,612
<b>Subtotal</b>	<b>564,849</b>	725,502
<b>Non-current</b>		
Unlisted preference shares	<b>194,520</b>	198,643
<b>Subtotal</b>	<b>194,520</b>	198,643
<b>Total</b>	<b>759,369</b>	924,145

*Note:*

- (1) For the Reporting Period, no single wealth management product of the Group accounted for more than 5.0% of the total assets of the Group.

Subscriptions of wealth management products were made for treasury management purposes to maximise the return on the unutilised funds of the Company after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. Generally, the Company had in the past selected short-term financial products issued by reputable commercial banks and other financial institutions that had relatively low associated risk. Prior to making an investment, the Company had also ensured that it would remain sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investments in such financial products. The associated risk of these financial products were considered acceptable by the Group and are also in line with the internal risk management, cash management and investment policies of the Group. In accordance with the relevant accounting standards, these financial products were accounted for as financial assets at fair value through profit or loss.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend, as well as the manageable risk level and the flexible redemption terms or a relatively short term of maturity of the wealth management products, the Directors are of the view that the risk exposure of these financial products to the Group is controllable, and the terms and conditions of each of the subscriptions are fair and reasonable and are in the interests of the Company and its shareholders (the “**Shareholders**”) as a whole. The Company believes that the above investment strategies and directions would continue to generate stable income to the Group.

### ***Capital Expenditures***

For the Reporting Period, the Group’s capital expenditures amounted to approximately RMB328.7 million (31 December 2023: approximately RMB84.6 million), which were mainly used for the acquisition of property, equipment, leasehold improvements, investment properties and intangible assets. The Group funded its capital expenditures by using the cash flow generated from its operations.

### ***Contingent Liabilities and Guarantees***

In connection with the investigation initiated by the local regulatory authorities, the Group’s certain bank balances of approximately RMB28.4 million were restricted as of 31 December 2024.

The management of the Company, taking into consideration of all available information and opinions received from its legal counsel, is of the view that the Group’s business operations are in compliance with applicable rules and regulations in the People’s Republic of China (the “**PRC**”). As of the date of this Annual Results announcement, the Group has not received any subpoena to represent as a defendant in a lawsuit related to the aforesaid investigation. Therefore, the Group considered opinions received from its legal counsel and determined it is more likely that no present obligation exists as a result of such investigation. As at the date of this Annual Results announcement, as the investigations are still ongoing and related details not being accessible by the Group, it is not practicable to assess or estimate the possible financial impact, therefore the Group has not made any provision in this matter.

### ***Pledge of Assets***

As of 31 December 2024, the Group did not have any pledge or charge on assets.

### ***Foreign Exchange Risk Management***

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company is US Dollars, and the functional currency of subsidiaries operated in the mainland China is Renminbi. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimise these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

### ***Employees and Remuneration Policies***

As at 31 December 2024, the Group had a total of 1,416 full-time employees, mainly located in the PRC. In particular, 418 full-time employees are responsible for technology, research and development.

Remuneration of the Group's employees includes basic salaries, allowances, bonus, share-based payment and other employee benefits, and is determined with reference to their experience, qualification and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. The Group believes that we maintain a good working relationship with our employees, and we have not experienced any material labour disputes during the Reporting Period.

In order to expand the Company's talent team, strengthen the capability of talents in different levels and provide intellectual support to the sustainable development of the Company, the Company has developed an efficient and systematic talent training and development plan. The Group believes that a systematic training program will help our employees acquire the necessary professional skills and effectively improve their professional ethics. Major training programs revolve around the targeted training of the recruited graduates, new employees, junior management, mid-level management and senior management.

### ***Contractual Arrangements***

Please refer to the section headed "Contractual Arrangements" in the prospectus of the Company dated 28 June 2018 (the "**Prospectus**"). For the Reporting Period, the Board has reviewed the overall performance of the contractual arrangements and confirmed that the Group has complied with the contractual arrangements in all material respects.

On 15 March 2019, the National People's Congress approved the Foreign Investment Law, which came into effect on 1 January 2020 and replaced the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law has unified the corporate legal requirements for both foreign and domestic investments by way of having a negative list (the “**Negative List**”).

The Negative List, which has been issued by the State Council of the PRC and updated on 1 November 2024, refers to special administrative measures for access to foreign investment in specific fields in the PRC. A foreign investor shall not invest in any field prohibited from foreign investment under the Negative List. A foreign investor shall meet the investment conditions stipulated under the Negative List for any restricted fields under the Negative List.

A foreign investor who invests in a foreign-invested value-added telecommunications enterprise operating value-added telecommunications businesses in the PRC must demonstrate a good track record and experience in operating value-added telecommunications businesses (the “**Qualification Requirement**”). Moreover, foreign investors that meet these requirements must obtain approvals from the Ministry of Industry and Information Technology of the PRC and the Ministry of Commerce of the PRC, or their authorised local counterparts, which retain considerable discretion in granting approvals, for the commencement of that investor's value-added telecommunications businesses in the PRC.

Please refer to the section headed “Contractual Arrangements” in the Prospectus for the Group's efforts and actions undertaken to comply with the Qualification Requirement.

Further details of the contractual arrangements, please refer to the annual report of the Company for the year ended 31 December 2024 to be published in due course.

## FINANCIAL INFORMATION

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		<b>Year ended 31 December</b>	
	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
Revenue	3	<b>6,850,721</b>	6,844,788
Cost of sales	4	<b>(3,508,024)</b>	(4,011,689)
<b>Gross profit</b>		<b>3,342,697</b>	2,833,099
Selling and marketing expenses	4	<b>(2,535,615)</b>	(2,073,756)
Administrative expenses	4	<b>(263,383)</b>	(227,269)
Research and development expenses	4	<b>(202,234)</b>	(271,956)
Net impairment losses on financial assets	4	<b>(8,563)</b>	(13,062)
Other income		<b>16,859</b>	38,555
Other (losses)/gains — net		<b>(129,470)</b>	138,549
<b>Operating profit</b>		<b>220,291</b>	424,160
Finance income		<b>46,034</b>	38,738
Finance costs		<b>(3,546)</b>	(3,260)
<b>Finance income — net</b>		<b>42,488</b>	35,478
Share of (loss)/profit of investments accounted for using the equity method		<b>(14,490)</b>	20,909
<b>Profit before income tax</b>		<b>248,289</b>	480,547
Income tax expense	5	<b>(31,647)</b>	(79,989)
<b>Profit for the year</b>		<b>216,642</b>	400,558

		<b>Year ended 31 December</b>	
	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified to profit or loss:			
Currency translation differences		(2,889)	(4,569)
Items that will not be reclassified to profit or loss:			
Currency translation differences		13,535	15,876
<b>Other comprehensive income for the year, net of tax</b>		<b>10,646</b>	<b>11,307</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>227,288</b>	<b>411,865</b>
<b>Profit attributable to:</b>			
— The owners of the Company		180,312	386,529
— Non-controlling interests		36,330	14,029
<b>Profit for the year</b>		<b>216,642</b>	<b>400,558</b>
<b>Total comprehensive income attributable to:</b>			
— The owners of the Company		190,958	397,836
— Non-controlling interests		36,330	14,029
		<b>227,288</b>	<b>411,865</b>
<b>Earnings per share attributable to the shareholders of the Company (expressed in RMB per share):</b>			
— Basic earnings per share	6	0.10	0.21
— Diluted earnings per share	6	0.10	0.21



# **CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024**

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>91,394</b>	73,869
Right-of-use assets		<b>30,678</b>	30,585
Investment properties		<b>128,884</b>	203,059
Intangible assets		<b>214,243</b>	56,585
Deferred tax assets		<b>99,539</b>	65,798
Investments accounted for using the equity method		<b>495,880</b>	502,937
Financial assets at fair value through profit or loss		<b>194,520</b>	198,643
Other receivables, deposits and other assets		<b>7,276</b>	10,266
Term deposits		<b>345,000</b>	25,000
<b>Total non-current assets</b>		<b>1,607,414</b>	1,166,742
<b>Current assets</b>			
Inventories		<b>10,907</b>	10,243
Other receivables, prepayments, deposits and other assets		<b>523,866</b>	567,280
Trade receivables	7	<b>148,114</b>	56,945
Financial assets at fair value through profit or loss		<b>564,849</b>	725,502
Term deposits		<b>201,884</b>	198,316
Restricted cash		<b>319,605</b>	58,391
Cash and cash equivalents		<b>2,195,694</b>	2,362,290
<b>Total current assets</b>		<b>3,964,919</b>	3,978,967
<b>Total assets</b>		<b>5,572,333</b>	5,145,709

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
<b>Equity attributable to the shareholders of the Company</b>			
Share capital		<b>12,797</b>	12,803
Other reserves		<b>3,973,595</b>	4,022,026
Accumulated profit		<b>411,616</b>	231,304
		<b>4,398,008</b>	4,266,133
<b>Non-controlling interests</b>		<b>48,258</b>	15,710
<b>Total equity</b>		<b>4,446,266</b>	4,281,843
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>17,169</b>	8,700
Deferred tax liabilities		<b>30,193</b>	36,006
<b>Total non-current liabilities</b>		<b>47,362</b>	44,706
<b>Current liabilities</b>			
Trade and notes payables	8	<b>745,364</b>	508,366
Other payables and accruals		<b>113,207</b>	162,475
Financial liabilities at fair value through profit and loss		<b>90,574</b>	–
Contract liabilities		<b>84,091</b>	93,041
Current income tax liabilities		<b>30,106</b>	35,368
Lease liabilities		<b>12,553</b>	17,502
Provisions		<b>2,810</b>	2,408
<b>Total current liabilities</b>		<b>1,078,705</b>	819,160
<b>Total liabilities</b>		<b>1,126,067</b>	863,866
<b>Total equity and liabilities</b>		<b>5,572,333</b>	5,145,709

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to the owners of the Company				Non-	
		Share	Other	Accumulated	Sub-total	controlling	Total
	Note	capital	reserves	profit		interests	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 31 December 2023		12,803	4,022,026	231,304	4,266,133	15,710	4,281,843
Comprehensive income							
Profit for the year		—	—	180,312	180,312	36,330	216,642
Currency translation differences		—	10,646	—	10,646	—	10,646
Total comprehensive income for the year		—	10,646	180,312	190,958	36,330	227,288
Total transactions with owners in their capacity as owners							
Share-based compensation expenses	10	—	17,751	—	17,751	—	17,751
Cancellation of shares		(6)	6	—	—	—	—
Non-controlling interests recognised in acquisition of subsidiaries		—	—	—	—	(731)	(731)
Acquisition of non-controlling interests in subsidiaries		—	(3,949)	—	(3,949)	3,949	—
Dividends distributed to non-controlling interest		—	—	—	—	(7,000)	(7,000)
Dividends paid to owners of the Company		—	(72,885)	—	(72,885)	—	(72,885)
Total transactions with owners in their capacity as owners		(6)	(59,077)	—	(59,083)	(3,782)	(62,865)
Balance as of 31 December 2024		12,797	3,973,595	411,616	4,398,008	48,258	4,446,266

	<i>Note</i>	Attributable to the owners of the Company			Non-controlling interests	Total
		Share capital	Other reserves	Accumulated (deficits)/ profit		
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Balance at 31 December 2022</b>		12,803	3,996,074	(155,225)	(1,210)	3,852,442
<b>Comprehensive income</b>						
Profit for the year		—	—	386,529	14,029	400,558
Currency translation differences		—	11,307	—	—	11,307
<b>Total comprehensive income for the year</b>		—	11,307	386,529	14,029	411,865
<b>Transactions with owners in their capacity as owners</b>						
Share-based compensation expenses	10	—	25,416	—	—	25,416
Shares repurchased		—	(11,630)	—	—	(11,630)
Capital injection from non-controlling interests		—	—	—	4,750	4,750
Acquisition of non-controlling interests in subsidiaries		—	859	—	(1,859)	(1,000)
<b>Total transactions with owners in their capacity as owners</b>		—	14,645	—	2,891	17,536
<b>Balance at 31 December 2023</b>		12,803	4,022,026	231,304	15,710	4,281,843

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Inkeverse Group Limited (the “**Company**”), previously known as Inke Limited, and its subsidiaries (together referred as to the “**Group**”) are principally engaged in value-added service and entertainment content service through operating the matrix of online platforms and providing an internet infrastructure to enable the users to interact through the platforms in the People’s Republic of China (the “**PRC**” or “**China**”).

The Company is a limited liability company incorporated in the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

### 2. BASIS OF PREPARATION

#### (a) Compliance with IFRS and the disclosure requirements of HKCO

The consolidated financial statements of the Group has been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) (Cap. 622).

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the annual report of the Group for the reporting period ended 31 December 2024.

#### (b) Historical cost convention

The consolidated financial statements of the Group have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investment property.

#### (c) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the annual reporting period commencing 1 January 2024. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

**(d) New and amended standards and interpretations not yet adopted**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the reporting period ended 31 December 2024 and have not been early adopted by the Group.

The following new and amended standards and annual improvements have been published (which may be applicable to the Group) but not mandatory for the reporting period ended 31 December 2024 and have not been early adopted by the Group:

	<b>New standards, amendments and annual improvements</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to IAS 21	Lack of exchange ability	1 January 2025
Amendments to IAS 9 and IAS 7	Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 18	Presentation and disclosure in financial statements	1 January 2027

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**3. REVENUE**

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Value-added service	<b>5,037,732</b>	5,219,985
Entertainment content service	<b>1,313,258</b>	958,683
Others	<b>499,731</b>	666,120
	<b>6,850,721</b>	<b>6,844,788</b>
	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue recognised at a point in time	<b>6,637,231</b>	6,709,474
Revenue recognised over time	<b>213,490</b>	135,314
	<b>6,850,721</b>	<b>6,844,788</b>

#### 4. EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue sharing to streamers	2,729,910	3,100,339
Promotion and advertising expenses	2,475,696	2,031,052
Employee benefit expenses	569,008	692,335
Cost of goods sold	161,654	216,760
Amortisation of intangible assets	134,155	61,498
Payment handling costs	119,729	111,374
Bandwidth and server custody costs	86,126	119,958
Technical support and professional service fees	82,271	72,719
Travelling, entertainment and general office expenses	55,544	55,609
Depreciation of right-of-use assets	24,566	23,540
Taxes and surcharges	16,014	17,136
Depreciation of property, plant and equipment	14,306	11,183
Outsourced development costs	7,939	7,440
Auditor's remuneration		
— Audit services	5,000	6,000
— Non-audit services	857	650
Expected credit loss allowance	8,563	13,062
Expenses relating to short-term lease not included in lease liabilities	2,456	2,129
Others	24,025	54,948
	<b>6,517,819</b>	<b>6,597,732</b>

## 5. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
Current income tax on profits for the year	71,201	68,867
<b>Total current income tax expense</b>	<b>71,201</b>	<b>68,867</b>
Deferred income tax		
(Increase)/decrease in deferred tax assets	(34,823)	2,009
Decrease/(increase) in deferred tax liabilities	(4,731)	9,113
<b>Total deferred income tax (credit)/expense</b>	<b>(39,554)</b>	<b>11,122</b>
<b>Income tax expense</b>	<b>31,647</b>	<b>79,989</b>

## 6. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, excluding shares held for employee share scheme.

	Year ended 31 December	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	180,312	386,529
Weighted average number of ordinary shares in issue (thousand shares)	1,863,284	1,853,941
Basic earnings per share attributable to the shareholders of the Company (expressed in RMB per share)	0.10	0.21



**(b) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of fair value changes with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<b>180,312</b>	386,529
Weighted average number of ordinary shares in issue ( <i>thousand shares</i> )	<b>1,863,284</b>	1,853,941
Add: Adjustment for restricted share units granted to employees ( <i>thousand shares</i> )	<b>18,774</b>	12,658
Weighted average number of ordinary shares for calculation of diluted earnings per share ( <i>thousand shares</i> )	<b>1,882,058</b>	1,866,599
Diluted earnings per share attributable to the shareholders of the Company ( <i>expressed in RMB per share</i> )	<b>0.10</b>	0.21

**7. TRADE RECEIVABLES**

Majority of the Group's debtors are granted with credit periods ranged from 1 to 3 months. An ageing analysis of the trade receivables based on invoice date is as follows:

	<b>As of 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Trade receivables		
— Up to 3 months	<b>143,716</b>	56,950
— 3 to 6 months	<b>6,325</b>	879
— 6 months to 1 year	<b>1,125</b>	93
— Over 1 year	<b>1,528</b>	1,355
	<b>152,694</b>	59,277

As of 31 December 2024 and 2023, the carrying amounts of trade receivables are primarily denominated in RMB and approximate to their fair values at each of the reporting dates.

## 8. TRADE AND NOTES PAYABLES

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables	459,269	508,366
Notes payables	286,095	—
	<u>745,364</u>	<u>508,366</u>

As of 31 December 2024, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date was as follows:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
— Up to 3 months	310,103	269,811
— 3 to 6 months	17,538	89,486
— 6 months to 1 year	11,169	9,693
— Over 1 year	120,459	139,376
	<u>459,269</u>	<u>508,366</u>

## 9. DIVIDENDS

A final dividend in respect of the year ended 31 December 2023 of HKD0.0412 per share was proposed pursuant to a resolution passed by the board of directors of the Company on 26 March 2024 and was approved by the shareholders of the Company at the 2023 annual general meeting of the Company held on 13 June 2024. Such final dividend for the year ended 31 December 2023 amounted to approximately HKD79,858,000 (equivalent to approximately RMB72,885,000) in aggregate were paid on 16 July 2024.

The board of directors of the Company resolved not to declare any payment of final dividend for the year ended 31 December 2024.

## 10. SHARE-BASED COMPENSATION EXPENSE

Share-based compensation was recognised in costs and expenses for the years ended 31 December 2024 and 2023 are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Administrative expenses	11,923	16,443
Research and development expenses	4,780	6,439
Cost of sales	824	2,260
Selling and marketing expenses	224	274
	<u>17,751</u>	<u>25,416</u>

## OTHER INFORMATION

### FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 December 2024 (2023: HKD0.0412 per Share).

### ANNUAL GENERAL MEETING

For details of the Company's annual general meeting of 2024 (the “**AGM**”), please refer to the notice of the AGM which will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.inkeverse.com](http://www.inkeverse.com)), respectively, in due course.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As of 31 December 2024, the Company did not hold any treasury shares.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. During the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code and adopted most of the recommended best practices set out therein, except for a deviation from the code provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. FENG Yousheng (“**Mr. FENG**”) is the chairman and chief executive officer of the Company. With extensive experience in the internet industry, Mr. FENG is responsible for the overall strategic planning and general management of the Group and is instrumental to the Company's growth and business expansion since its establishment in 2015. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. FENG) and three independent non-executive Directors, and therefore has a fairly strong independence element in its composition.

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

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of the date of this Annual Results announcement, at least 25% of the total number of issued Shares were held by the public.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set forth in Appendix C3 to the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard as set out in the Model Code during the Reporting Period.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the Reporting Period as set out in this Annual Results announcement have been agreed by the Company’s independent auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated annual financial statements for the Reporting Period.

The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on this Annual Results announcement.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As of the date of this Annual Results announcement, the Audit Committee comprises three independent non-executive Directors, Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan. Mr. David CUI is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the Annual Results for the Reporting Period.

## **IMPORTANT EVENTS OCCURRED SINCE THE END OF THE REPORTING PERIOD**

There were no any significant events after 31 December 2024 and up to the date of this Annual Results announcement.

**PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT  
ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This Annual Results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.inkeverse.com](http://www.inkeverse.com)). The annual report of the Company for the year ended 31 December 2024 will be dispatched to the Shareholders and will be available on the website of the Stock Exchange and that of the Company, respectively, in due course in accordance with Rule 13.46 of the Listing Rules.

By order of the Board  
**Inkeverse Group Limited**  
**FENG Yousheng**  
*Chairman and Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the executive Directors are Mr. FENG Yousheng and Mr. HOU Guangling; and the independent non-executive Directors are Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan.*