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Tian Ge Interactive Holdings Limited
天鵲互動控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1980)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

(the below financial information, except for total assets and liabilities, are from continuing operations)

<i>(in RMB'000)</i>	Year ended December 31,	
	2024	2023
Revenue	10,160	67,621
– Online interactive entertainment service	5,641	66,394
– Others	4,519	1,227
Gross profit	8,103	58,848
Gross profit margin	79.8%	87.0%
Net profit/(loss)	19,916	(135,052)
Net profit/(loss) margin	196.0%	(199.7%)
Earnings/(losses) per share (expressed in RMB per share)		
– basic	0.018	(0.114)
– diluted ⁽¹⁾	0.018	(0.114)
Adjusted net profit/(loss) ⁽²⁾	20,215	(132,844)
Adjusted net profit/(loss) margin ⁽³⁾	199.0%	(196.5%)
Adjusted EBITDA/(LBITDA) ⁽⁴⁾	25,829	(120,560)
Adjusted EBITDA/(LBITDA) margin	254.2%	(178.3%)
Total assets	2,619,747	2,560,083
Total liabilities	385,250	307,099

Notes:

- (1) For the year ended December 31, 2024, share options and RSUs granted to employee and service provider are considered to be potential ordinary shares. For the year ended December 31, 2023, the computation of diluted loss per share did not assume the exercise of share options and vesting of unvested restricted share units since their assumed exercise would result in a decrease in loss per share. Accordingly, diluted losses per share for the year ended December 31, 2023 was the same as basic losses per share.
- (2) Adjusted net profit/(loss) was derived from the net profit/(loss) for the year, excluding the effect of non-cash share-based compensation expenses, and impairment provision of goodwill.
- (3) Adjusted net profit/(loss) margin was calculated by dividing adjusted net profit/(loss) by revenue.
- (4) Adjusted EBITDA/LBITDA) was derived from the operating profit/(loss) for the year, excluding the effect of non-cash share-based compensation expenses, impairment provision of goodwill and depreciation and amortization expenses.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Tian Ge Interactive Holdings Limited (the “**Company**”, “**We**” or “**Tian Ge**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”) with comparative figures for the preceding financial year ended December 31, 2023 prepared under IFRS and audited by Deloitte Touche Tohmatsu, the auditor of the Company. In addition, the annual results have also been reviewed by the audit committee of the Company (the “**Audit Committee**”) and this annual results announcement is based on the Group’s audited consolidated financial statements for the year ended December 31, 2024 which have been agreed with the auditor of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Overview and Outlook

During the Reporting Period, the Group remained focused on its overseas live streaming business. Despite cultural differences, high promotion costs, and evolving user preferences, it navigated numerous challenges. In 2024, the global economic downturn further intensified market complexities, with rising internet traffic costs and increasingly sophisticated audience demands causing performance fluctuations. Nevertheless, the Group’s overseas business team worked diligently to optimize live streaming services, laying a solid foundation for sustainable growth.

Overall Financial Performance

For the Reporting Period, the Group recorded a total revenue of RMB10.2 million from online interactive entertainment services and other business, which decreased by 85.0% from RMB67.6 million for the same period in 2023. The revenue from online interactive entertainment services decreased by 91.5% to RMB5.6 million for the Reporting Period, compared with RMB66.4 million for the same period in 2023. The year-on-year decrease in revenue was primarily due to the structural adjustment of the proportion of the Group's domestic and overseas business in 2023, which resulted in the suspension of the domestic live streaming business at the end of 2023.

For the Reporting Period, the profit attributable to owners of the Company was RMB20.0 million, the net profit was RMB19.9 million, the adjusted net profit was RMB20.2 million, and the adjusted EBITDA was RMB25.8 million.

Business Overview

Market Expansion of Overseas Live Streaming Platforms

The Group has strategically focused on expanding its live streaming business in overseas markets by integrating successful domestic business models with advanced technologies. This approach includes actively exploring unique regional demands and cultural differences, continuously conducting market research, and optimizing its product offering and product features to ensure stable business operations.

The Group has remained committed to deepening its presence in the Southeast Asian market by pursuing localized operations and continuously enhancing user experiences. As part of its multi-platform strategy in the region, the Group has continued to grow its localized live streaming platform “KiWi Live”. This platform is specifically tailored for the Indonesian market and has steadily gained popularity, as shown by its rising rankings on Indonesia's social platform bestseller lists and its growing market share.

At the end of 2024, the Group launched its self-developed social interaction platform “iMee Live”. iMee Live focuses on showroom-style live streaming and party games for Gen Z users across Southeast Asia, with a particular emphasis on university-educated micro-influencers in Indonesia. Officially commencing operations in March 2025, iMee Live is engineered to enhance user experience and fortify platform stickiness by cultivating interactive, family-like communities and orchestrating competitive events.

As part of its globalization strategy, the Group’s previous joint investment in “Sila Chat” – a live streaming platform focused on voice chat and targeting users in the Gulf Cooperation Council countries – has yielded significant revenue growth in 2024. It is expected that in 2025, Sila Chat will generate strong synergies with the Group’s other platforms, potentially enhancing the Company’s core business revenue.

Strategic Investments Driving Core Synergies and Long-Term Value

A key contributor to the significant fair value gains recorded during the Reporting Period was the sharp appreciation in the valuations of several unlisted equity investments strategically made by the Group in prior years. With strong foresight, the Group timely invested in high-potential enterprises across emerging sectors such as social deduction games, Southeast Asian e-commerce, and short-form video content in India. These investee companies delivered exceptional operating results in 2024, aligning well with the digital consumption trends of younger demographics in their respective markets and driving a marked uplift in their valuations.

More importantly, these investments have not only delivered financial returns but have also established significant synergies with the Group’s core business. Several investee platforms share user bases, operational models, or content strategies with the Group’s primary platforms, enabling cross-platform traffic, talent collaboration, and technology exchange. These synergies have not only reinforced the Group’s ecosystem competitiveness, but also laid a foundation for scalable integration opportunities, including potential future consolidation or joint platform development.

Prospect and Future Outlook

Moving forward, with the support of the Group’s professional overseas team, the Group will further deepen localization efforts and enhance user experience through market-specific strategies. At the same time, the Group will actively explore the integration of artificial intelligence into its live streaming ecosystem, building new momentum for growth under the “AI + Live Streaming” strategy.

To support its long-term development, the Group will continue to optimize its financial asset portfolio, improve capital efficiency, ensure sufficient liquidity and implement risk control measures. By staying responsive to global market trends and continuously refining its strategic direction, the Group is committed to enhancing its competitiveness and delivering sustainable value to stakeholders.

The Board is confident that, through ongoing innovation, optimization, and proactive exploration of emerging markets, the Group can navigate current challenges, seize new growth opportunities, and generate long-term value for the Company’s shareholders (the “**Shareholders**”).

2. Operating Information

The following table sets forth certain quarterly operating statistics relating to the Group's Internet platforms operated as of the dates and for the periods presented below:

	December 31, 2024	December 31, 2023	Three months ended Year-on-year change	September 30, 2024	Quarter-on- quarter change
Total Monthly Active Users (<i>in'000</i>)	55	166	-66.9%	60	-8.3%
Quarterly Paying Users (<i>in'000</i>)	4	6	-33.3%	4	0.0%
Quarterly Average Revenue Per User (<i>RMB</i>)	342	390	-12.3%	240	42.5%

The following is a summary of the comparative figures for the periods presented above:

- For the three months ended December 31, 2024, the total number of monthly active users (“MAUs”) for Tian Ge was approximately 55,000, representing a decrease of approximately 66.9% compared to the same period in 2023 and a decrease of approximately 8.3% from the three months ended September 30, 2024. The year-on-year decrease was mainly due to the suspension of the domestic live streaming platforms at the end of 2023.
- The number of quarterly paying users (“QPU”) for Tian Ge’s online interactive entertainment service for the three months ended December 31, 2024 was approximately 4,000, representing a decrease of approximately 33.3% compared to the corresponding period in 2023. The year-on-year decrease was mainly due to the suspension of the domestic live streaming platforms at the end of 2023. The number of QPU for Tian Ge’s online interactive entertainment service was approximately the same for the three months ended December 31, 2023 and 2024.
- For the three months ended December 31, 2024, the quarterly average revenue per user for Tian Ge’s online interactive entertainment service was RMB342, representing an increase of approximately 42.5% from the three months ended September 30, 2024 and representing a decrease of approximately 12.3% from the three months ended December 31, 2023.

The following table sets forth certain annual operating statistics relating to the Group’s online interactive entertainment service as at the dates and for the periods presented below:

	Year ended		
	December 31,	December 31,	Year-on-Year
	2024	2023	Change
MAUs (<i>in’000</i>)*	87	708	-87.7%
QPUUs (<i>in’000</i>)	4	71	-94.4%
Quarterly Average Revenue Per User (<i>RMB</i>)	311	261	19.2%

* Annual total MAUs and annual total QPUUs are equal to their average of quarterly total users, respectively.

3. Financial Information

Revenue

The Group’s revenue generated from online interactive entertainment service decreased by 91.5% to RMB5.6 million for the Reporting Period from RMB66.4 million for the corresponding period in 2023. The year-on-year decrease was primarily due to the suspension of the domestic live streaming business at the end of 2023.

The Group’s revenue generated from “Others” mainly includes the revenue from providing technical supporting services. Revenue generated from “Others” for the Reporting Period was RMB4.5 million compared with RMB1.2 million for the corresponding period in 2023.

Cost of Revenue and Gross Profit Margins

For the Reporting Period, the Group's cost of revenue experienced a decrease of 76.6% year-on-year to RMB2.1 million compared to the corresponding period in 2023. The year-on-year decrease was primarily due to the suspension of the domestic live streaming business at the end of 2023, which significantly reduced operational costs.

The Group's gross profit margin for the Reporting Period was 79.8%, compared with 87.0% for the corresponding period in 2023.

Selling and Marketing Expenses

For the Reporting Period, the Group's selling and marketing expenses experienced a decrease of 76.1% year-on-year to RMB8.3 million compared to the corresponding period in 2023. The year-on-year decrease was mainly driven by lower domestic marketing expenses and reduced labor costs.

Administrative Expenses

For the Reporting Period, the Group's administrative expenses decreased by 24.3% year-on-year to RMB58.1 million compared to the same period in 2023. The year-on-year decrease was primarily due to a decline in employee-related expenses, public company compliance and maintenance costs, and other operational outlays resulting from the Group's strategic downsizing of its domestic operations and workforce.

Research and Development Expenses

For the Reporting Period, the Group's research and development expenses experienced a decrease of 49.3% year-on-year to RMB8.9 million compared to the corresponding period in 2023. The year-on-year decrease resulted from the Group's strategic restructuring of its domestic research and development team.

Other Gains/(Losses), Net

The Group changed from recording other losses, net of RMB62.1 million for the year ended December 31, 2023 to other gains, net of RMB85.1 million for the year ended December 31, 2024, primarily driven by substantial fair value gains from the Group's investment portfolio. Among these, fair value gains of approximately RMB47.8 million were attributable to unlisted equity investments, reflecting improved valuations of certain investee companies based on their latest financial performance and market outlook. An additional gain of RMB58.4 million was derived from other financial instruments, mainly consisting of private funds and index funds, which benefited from favorable market conditions and positive asset revaluations during the year ended December 31, 2024.

The details are set out in note 5 to this announcement.

Finance Income, Net

The Group's finance income, net was RMB7.6 million for the Reporting Period compared with finance income, net of RMB3.0 million for the year ended December 31, 2023, which was primarily due to the increased interest income on cash and cash equivalents.

Share of Profit of Investments Accounted for Using the Equity Method

For the Reporting Period, the Group's equity-accounted investment profit was RMB0.7 million, compared with an equity-accounted investment profit of RMB11.2 million for the corresponding period in 2023. This year-on-year decrease was primarily due to investment losses incurred by a Thailand-based social entertainment business. However, these losses were almost entirely offset by an investment gain of approximately RMB10.4 million in the live streaming e-commerce business of one of the Group's invested companies.

Income Tax Expense

For the Reporting Period, the Group's income tax expense recorded a decrease of 44.5% year-on-year to RMB6.3 million compared to the corresponding period in 2023. The year-on-year decrease was primarily due to deferred income tax expenses.

Profit/(Loss) Attributable to Owners of the Company

For the Reporting Period, the profit/(loss) attributable to owners of the Company recorded a total profit of RMB20.0 million, compared with a total loss of RMB134.7 million in the corresponding period in 2023. The change from loss attributable to owners of the Company to profit attributable to owners of the Company was primarily due to change in net profit for the year ended December 31, 2024.

Non-International Financial Reporting Standard (“non-IFRS”) Presentation

To supplement our consolidated financial statements which are presented in accordance with IFRS, the adjusted financial information is used as additional disclosure to enable investors and others to understand and evaluate the Company's consolidated results of operations as a whole and in a consistent way as presented in previous quarters when the subsidiaries were yet to be disposed.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, adjusted net profit and adjusted EBITDA are used as additional financial measures. These financial measures are presented because they are used by management to evaluate operating performance. The Group also believes that these non-IFRS measures provide useful information to help investors and others understand and evaluate the Company's consolidated results of operations in the same manner as management and in comparing financial results across accounting periods and to those of our peer companies.

Adjusted EBITDA/(LBITDA)

Adjusted EBITDA/(LBITDA) represents operating profit/(loss) adjusted to exclude non-cash share-based compensation expenses, impairment provision of goodwill, and depreciation and amortization expenses.

The following table reconciles the Group's operating profit/(loss) for the year to our adjusted EBITDA/(LBITDA) for the periods presented:

<i>(in RMB'000)</i>	Year ended	
	December 31, 2024	December 31, 2023
Operating profit/(loss)	17,850	(137,910)
Share-based compensation expenses	299	—
Impairment provision of goodwill	—	2,208
Depreciation and amortization expenses	7,680	15,142
	<hr/>	<hr/>
Adjusted EBITDA/(LBITDA)	25,829	(120,560)
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Adjusted Net Profit/(Loss)

Adjusted net profit/(loss) is not defined under IFRS, and eliminates the effect of non-cash share-based compensation expenses, and impairment provision of goodwill.

The following table sets forth the reconciliations of the Group's net profit/(loss) to adjusted net profit/(loss) for the periods presented below:

<i>(in RMB'000)</i>	Year ended	
	December 31, 2024	December 31, 2023
Net profit/(loss) for the year	19,916	(135,052)
Share-based compensation expenses	299	—
Impairment provision of goodwill	—	2,208
	<hr/>	<hr/>
Adjusted net profit/(loss)	20,215	(132,844)
	<hr/> <hr/>	<hr/> <hr/>

4. Liquidity and Financial Resources

Cash and Cash Equivalent, and Term Deposits

Cash and cash equivalents consist of cash at bank and on hand, short-term bank deposits and cash at other financial institutions, and as at December 31, 2024 and December 31, 2023 amounted to RMB467.0 million and RMB364.1 million, respectively. As at these dates, short-term bank deposits balances were demand deposits and term deposits with initial terms of less than three months. The Group had term deposits with initial term of over three months of RMB78.2 million and RMB271.2 million as at December 31, 2024 and December 31, 2023, respectively.

Financial Assets at fair value through profit or loss (“FVTPL”)

The Group’s financial assets at FVTPL consist of seven main categories, namely (arranged in descending order based on their respective fair value amount) (i) other financial instruments, (ii) investments in venture capital and private equity funds (“**Fund Investments**”), (iii) equity investments in private unlisted companies (“**Private Investments**”), (iv) listed equity securities, (v) investments in wealth management products, (vi) structured notes and (vii) equity securities of suspension of trading.

Financial assets at FVTPL increased by 12.6% to RMB1,757.2 million as at December 31, 2024 compared to RMB1,560.4 million as at December 31, 2023. Such increase was mainly attributable to an increase of RMB156.8 million in other financial instruments and an increase of RMB64.5 million in Private Investments. There was no single financial asset whose carrying amount is over 5% of the Group’s total assets as of December 31, 2024. The following is a breakdown of the seven main categories as at the periods specified:

	As at December 31, 2024 <i>(RMB’000)</i>	As at December 31, 2023 <i>(RMB’000)</i>	Percentage increase/ (decrease)
(i) Other financial instruments	982,764	825,949	19.0%
(ii) Fund Investments	479,576	536,356	-10.6%
(iii) Private Investments	163,158	98,687	65.3%
(iv) Listed equity securities	60,719	44,400	36.8%
(v) Investments in wealth management products	52,051	36,066	44.3%
(vi) Structured notes	16,104	1,361	1083.2%
(vii) Equity securities of suspension of trading	2,778	17,584	-84.2%
Total	1,757,150	1,560,403	12.6%

Other Financial Instruments

The US macroeconomic environment in 2024 supported higher asset valuations through lower interest rates, driven by a shift from tightening to easing, and robust capital market performance, particularly in the technology and growth sectors. This, combined with easing inflation and steady economic growth, helped reduce risk premia and boost overall market sentiment.

Against this favorable backdrop, the Group increased its holdings in other financial instruments, with fair value rising from RMB825.9 million at the end of 2023 to RMB982.8 million at the end of 2024, representing a year-on-year increase of 19.0%.

The fair value gain of other financial instruments during the Reporting Period also jumped from RMB24.7 million in 2023 to RMB58.4 million in 2024, reflecting the significant impact of the accommodative interest rate environment, strong market performance, and improved economic fundamentals on its investments in private funds, REIT access funds, ETFs, and other international financial products.

The details are set out in note 12(c) to this announcement.

Fund Investments

The Group held investment interests in fifteen venture capital and private equity funds as of December 31, 2024, with its participation in the Navigator Asia Fund constituting connected transactions of the Group (Please refer to the announcement released by the Company on May 13, 2022 for additional information). The Navigator Asia Fund, which targets capital returns through Southeast Asian equity and equity-related investments in Web3.0 and Meta Cosmic businesses, has decided to commence its liquidation in the first quarter of 2025. Consequently, the fund recorded a fair value loss of approximately RMB13.6 million in 2024.

The fair value of these Fund Investments decreased by 10.6% to RMB479.6 million as at December 31, 2024 compared to RMB536.4 million as at December 31, 2023. For the Reporting Period, the Group recognised a fair value loss of RMB24.6 million (2023: a fair value loss of RMB42.0 million) in these investments.

The details are set out in note 12(b) to this announcement.

Private Investments

Below is a summary of financial performances of the Private Investments during the relevant periods:

Investment Category		Historical transaction amount (RMB'000)	Percentage of equity interest	Fair value of investments as of December 31, 2024 (RMB'000)	Fair value of investments as of December 31, 2023 (RMB'000)	Percentage increase
(i)	1 online/mobile gaming company	4,535	3.8%	53,322	45,516	17.2%
(ii)	5 online interactive entertainment companies	16,605	3.8-19.9%	37,595	–	
(iii)	1 e-commerce company	19,000	1.7%	28,160	19,383	45.3%
(iv)	2 financial technology companies	23,000	4-5.7%	25,095	20,097	24.9%
(v)	1 cloud services company	19,000	0.38%	18,986	13,691	38.7%

The underlying Private Investments are independent from each other. There was no single Private Investment whose carrying amount is over 5% of the Group's total assets as of December 31, 2024.

The details are set out in note 12(a) to this announcement.

Listed Equity Securities

The fair value of listed equity securities invested by the Group increased by 36.8% to RMB60.7 million as at December 31, 2024 compared to RMB44.4 million as at December 31, 2023. During the Reporting Period, the fair value loss of the investment was RMB4.5 million (2023: fair value loss of RMB17.6 million).

Investments in Wealth Management Products

The Group regularly utilizes its idle funds to subscribe for wealth management products from commercial banks in order to earn interest. The fair value of the wealth management products subscribed by the Group increased by 44.3% to RMB52.1 million as at December 31, 2024 compared to RMB36.1 million as at December 31, 2023.

The wealth management products represent RMB-denominated wealth management products with interest rates ranging from 1.8% to 4.4% per annum and maturity period within 1 year or revolving terms. These wealth management products were offered by large state-owned or reputable financial institutions in the PRC.

Equity Securities of Suspension of Trading

Investment in equity securities of suspension of trading represents the Group's investment in certain equity securities listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the trading in such equity securities was suspended since April 2023 and delisted on December 16, 2024. As at December 31, 2023, the investment was valued at RMB17.6 million, with a fair value loss of RMB27.2 million recognized. In 2024, the Group actively sought to dispose of these securities, and after the Reporting Period, completed the disposal at a cash consideration of RMB2.8 million.

During the year ended December 31, 2024, the Group recognised a fair value loss of RMB15.1 million in other gains/(losses), net.

Structured Notes

As at December 31, 2024, the fair value of the structured notes invested by the Group increased to RMB16.1 million, compared to RMB1.4 million as at December 31, 2023, and the year-on-year increase was primarily due to additional investments made to enhance its financial asset allocation with more principal-protected and stable-yield instruments to counter market volatility. For the Reporting Period, the Group recognized a fair value gain of RMB2.4 million on these structured notes.

Bank Loans and Other Borrowings

The Group has entered into a few loan facilities with certain internationally reputable financial institutions for financing its investments in certain financial assets. As at December 31, 2024, the total available amount under the current facilities was US\$310.9 million, of which US\$15.1 million, HK\$65.6 million and JPY636.2 million have been drawn down as at December 31, 2024.

Pursuant to the relevant loan facility agreements, the Group is subjected to the requirement of placing relevant portion of assets (“**lending value**”) in relation to the outstanding balance of the Group's borrowings in the relevant financial institutions. Similarly, according to the loan facility agreements between the Group and financial institutions, the Group is subjected to have lending value to the outstanding balance of borrowings at financial institutions in the ratio as stipulated in the relevant loan facility agreements.

Gearing Ratio

The gearing ratio as at December 31, 2024 was 8.9% compared with 6.0% as at December 31, 2023, as the Group's borrowings increased to RMB198.1 million as at December 31, 2024 compared to RMB135.1 million as at December 31, 2023.

Capital Expenditures

For the Reporting Period, the Group's capital expenditures were approximately RMB1.4 million, including the purchase of property and equipment.

Business and Subsidiary Disposals

The Group has completed the disposal of Hangzhou Han Tang Cultural Communication Co., Ltd., a PRC operating entity which operated the Group's domestic live streaming business, for a total consideration of RMB20.0 million. As at the date of this announcement, RMB17.0 million has been received in 2024.

Charges on Assets

As at December 31, 2024, the Group did not have any asset charges.

Contingent Liabilities

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

Foreign Exchange Risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily for foreign currency-denominated financial assets as at December 31, 2024. We do not hedge against any fluctuation in foreign currency.

5. Corporate Information

Staff

The Group had 103 full time employees as at December 31, 2024. The Group adopts high standards in recruitment with strict procedures to ensure the quality of new hiring and use various methods for recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through hunting firms or agents, to satisfy the demand for different types of talents.

Relevant staff cost was RMB43.4 million for the Reporting Period, compared with staff cost of RMB68.4 million for the year ended December 31, 2023. The Group's remuneration policies are formulated according to the duty, experience, ability and performance of individual employees and are reviewed annually. In addition to basic salary, employees are entitled to other benefits including social insurance contribution, employee provident fund schemes and discretionary incentive.

The Group's employees have not formed any employee union or association. Tian Ge believes that it maintains a good working relationship with its employees and the Group did not experience any significant labor disputes or any difficulty in recruiting staff for our operations during the Reporting Period.

Share Option and Restricted Share Unit (“RSU”) Schemes

The Company had adopted the Pre-IPO Share Option Scheme which expired in May 2024, the Pre-IPO RSU Scheme which expired in May 2024, the Post-IPO Share Option Scheme which expired in June 2024 and the Post-IPO RSU Scheme which was due to expire on March 30, 2031. To comply with the requirements of the latest Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the Company adopted the Share Options and Awards Scheme 2024 (together with the Pre-IPO Share Option Scheme, the Pre-IPO RSU Scheme, the Post-IPO Share Option Scheme and the Post-IPO RSU Scheme, collectively the “**Schemes**”) at the annual general meeting of the Company (the “**AGM**”) held on June 28, 2024 to effectively replace both the Post-IPO Share Option Scheme and the Post-IPO RSU Scheme. The purposes of the Schemes are to reward the participants defined under the Schemes for their past contribution to the success of the Group and to provide incentives to them to further contribute to the Group.

The share-based compensation expenses for the Reporting Period were RMB0.3 million, as compared to nil for the year ended December 31, 2023.

As at December 31, 2024, no options remained outstanding under the Schemes.

As of December 31, 2024, the total number of shares underlying the Schemes represented approximately 0.90% of the total ordinary shares of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/LOSS

FOR THE YEAR ENDED DECEMBER 31, 2024

		Year ended December 31,	
		2024	2023
	Notes	RMB'000	RMB'000
Revenue	3	10,160	67,621
Cost of revenue	4	(2,057)	(8,773)
Gross profit		8,103	58,848
Selling and marketing expenses	4	(8,336)	(34,917)
Administrative expenses	4	(58,103)	(76,766)
Research and development expenses	4	(8,906)	(17,551)
Net impairment losses on financial assets		(30)	(5,411)
Other gains/(losses), net	5	85,122	(62,113)
Operating profit/(loss)		17,850	(137,910)
Finance income	6	16,555	12,034
Finance costs	6	(8,956)	(9,066)
Finance income, net	6	7,599	2,968
Share of profit of investments accounted for using the equity method	9	728	11,164
Profit/(loss) before income tax		26,177	(123,778)
Income tax expense	7	(6,261)	(11,274)
Profit/(loss) for the year		19,916	(135,052)
Other comprehensive expense/(income)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(9,141)	17,523
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		42,331	10,884
Other comprehensive income for the year, net of income tax		33,190	28,407
Total comprehensive income/(loss) for the year		53,106	(106,645)

		Year ended December 31,	
		2024	2023
	Notes	RMB'000	RMB'000
Profit/(loss) attributable to:			
– Owners of the Company		19,996	(134,670)
– Non-controlling interests		(80)	(382)
		<u>19,916</u>	<u>(135,052)</u>
Total comprehensive income/(loss) attributable to:			
– Owners of the Company		53,179	(106,288)
– Non-controlling interests		(73)	(357)
		<u>53,106</u>	<u>(106,645)</u>
Earnings/(losses) per share (expressed in RMB per share):			
– Basic	8	<u>0.018</u>	<u>(0.114)</u>
– Diluted	8	<u>0.018</u>	<u>(0.114)</u>

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2024

		As at December 31,	
		2024	2023
	Notes	RMB'000	RMB'000
Assets			
Non-current assets			
Property and equipment		48,199	52,907
Right-of-use assets		3,539	4,511
Investment properties	10	86,486	111,128
Intangible assets		—	—
Investments accounted for using the equity method	9	40,112	51,537
Prepayments and other receivables		18,110	39,002
Financial assets at fair value through profit or loss (“FVTPL”)	12	1,276,024	1,246,989
Deferred income tax assets	19	—	53
		<u>1,472,470</u>	<u>1,506,127</u>
Current assets			
Trade receivables	11	587	3,400
Prepayments and other receivables		57,511	34,179
Financial assets at FVTPL	12	481,126	313,414
Derivative financial instruments	13	62,860	67,655
Term deposits with initial term over 3 months		78,211	271,201
Cash and cash equivalents		466,982	364,107
		<u>1,147,277</u>	<u>1,053,956</u>
Total assets		<u>2,619,747</u>	<u>2,560,083</u>
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	19	25,498	19,290
Lease liabilities		1,574	1,128
Other non-current liabilities		1,709	1,743
		<u>28,781</u>	<u>22,161</u>

		As at December 31,	
		2024	2023
	Notes	RMB'000	RMB'000
Current liabilities			
Borrowings	17	198,064	135,083
Financial liabilities at FVTPL		13,324	8,154
Trade payables	18	1,434	1,140
Other payables and accruals		34,283	26,089
Current income tax liabilities		76,396	77,907
Customer advance		244	765
Lease liabilities		877	1,499
Derivative financial instruments	13	31,847	34,301
		<u>356,469</u>	<u>284,938</u>
Total liabilities		<u><u>385,250</u></u>	<u><u>307,099</u></u>
Net assets		<u><u>2,234,497</u></u>	<u><u>2,252,984</u></u>
Equity			
Equity attributable to Owners of the Company			
Share capital	14	685	761
Repurchased shares	14	(58,170)	(53,949)
Share premium	14	1,314,987	1,387,355
Other reserves	15	784,898	754,212
Retained earnings		192,048	164,987
		<u>2,234,448</u>	<u>2,253,366</u>
Non-controlling interests		<u>49</u>	<u>(382)</u>
Total equity		<u><u>2,234,497</u></u>	<u><u>2,252,984</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

		Attributable to Owners of the Company					Non-controlling interests	Total equity	
	Notes	Share capital RMB'000	Repurchased shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	RMB'000	RMB'000
Balance as at January 1, 2024		761	(53,949)	1,387,355	754,212	164,987	2,253,366	(382)	2,252,984
Profit/(loss) for the year		-	-	-	-	19,996	19,996	(80)	19,916
Other comprehensive income		-	-	-	33,183	-	33,183	7	33,190
Total comprehensive income/(loss) for the year		-	-	-	33,183	19,996	53,179	(73)	53,106
Employees restricted share units (“RSU”) scheme									
– value of employee and service provider services	15	-	-	-	299	-	299	-	299
– shares vested and transferred	14	-	-*	-*	-	-	-	-	-
Repurchase of ordinary shares	14	-	(54,549)	-	-	-	(54,549)	-	(54,549)
Cancellation of ordinary shares	14	(76)	50,328	(50,252)	-	-	-	-	-
Dividends recognised as distribution	14	-	-	(22,116)	-	-	(22,116)	-	(22,116)
Establishment of a subsidiary		-	-	-	-	-	-	49	49
Disposal of an investment property		-	-	-	(1,579)	-	(1,579)	-	(1,579)
Disposal and dissolution of subsidiaries	15	-	-	-	(1,217)	7,065	5,848	455	6,303
Balance as at December 31, 2024		685	(58,170)	1,314,987	784,898	192,048	2,234,448	49	2,234,497

* amount less than RMB1,000

		Attributable to Owners of the Company					Non-controlling interests	Total equity
		Share capital	Repurchased shares	Share premium	Other reserves	Retained earnings	Total	
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2023		764	(53,740)	1,399,615	746,243	279,244	2,372,126	(25)
Loss for the year		-	-	-	-	(134,670)	(134,670)	(382)
Other comprehensive income		-	-	-	28,382	-	28,382	25
Total comprehensive income/(loss) for the year		-	-	-	28,382	(134,670)	(106,288)	(357)
Repurchase of ordinary shares	14	-	(1,648)	-	-	-	(1,648)	-
Cancellation of ordinary shares	14	(3)	1,439	(1,436)	-	-	-	-
Dividends recognised as distribution	14	-	-	(10,824)	-	-	(10,824)	-
Dissolution of subsidiaries	15	-	-	-	(20,413)	20,413	-	-
Balance as at December 31, 2023		761	(53,949)	1,387,355	754,212	164,987	2,253,366	(382)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(64,431)	(42,944)
Net cash generated from investing activities	177,409	109,796
Net cash used in financing activities	(23,997)	(209,472)
Net increase (decrease) in cash and cash equivalents	88,891	(142,620)
Cash and cash equivalents at beginning of the year	364,107	497,659
Exchange gains on cash and cash equivalents	13,894	9,068
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	466,982	364,107
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. GENERAL INFORMATION

Tian Ge Interactive Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on July 28, 2008 as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands as an investment holding company. The address of the Company’s registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands.

On July 9, 2014, the Company consummated its initial public offering (the “**IPO**”) on the Main Board of the stock Exchange of Hong Kong Limited (the “**SEHK**”).

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are principally engaged in the operating of live social video platforms and other services in the People’s Republic of China (the “**PRC**”) and other territories.

Pursuant to applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting value-added telecommunications services. In order to make investments into the business of the Group, the Company established the subsidiaries, Tiange Technology (Hangzhou) Co., Ltd. (“**Hangzhou Tiange**”) and Zhejiang Tiange Information Technology Co., Ltd. (“**Zhejiang Tiange**”) (collectively, the “**WFOEs**”), which are wholly foreign owned enterprises incorporated in the PRC in November 2008 and September 2009, respectively.

The WFOEs entered into a series of contractual arrangements (“**Contractual Arrangements**”), with Hangzhou Han Tang Cultural Communication Co., Ltd. (“**Hantang**”), Jinhua9158 Network Science and Technology Co., Ltd. (“**Jinhua9158**”) and Jinhua99 Information Technology Co., Ltd. (“**Jinhua99**”) (collectively, the “**PRC Operating Entities**”). Their respective equity holders enable the WFOEs and the Group to:

- exercise effective financial and operational control over the PRC Operating Entities;
- irrevocably exercise equity holders’ voting rights of the PRC Operating Entities;
- receive substantially all of the economic returns generated by the PRC Operating Entities by way of business support, technical and consulting services provided by the WFOEs;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in the PRC Operating Entities from the respective shareholders; and
- obtain a pledge over the entire equity interest of the PRC Operating Entities from their respective equity holders as collateral for all accounts payable by the PRC Operating Entities to WFOEs and to secure performance of the PRC Operating Entities’ obligations under the Contractual Arrangements.

The Group does not have any equity interest in the PRC Operating Entities. As a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement in the PRC Operating Entities and has the ability to affect those returns through its power over them, and is considered to control these PRC Operating Entities. Consequently, the Company regards the PRC Operating Entities as the structured entities under IFRS Accounting Standards.

In May 2024, the Group completed the disposal of Hantang. In December 2024, Jinhua9158 was dissolved.

The Group has included the financial position and results of the PRC operating companies in the consolidated financial statements for all the years presented, including the results of disposed and dissolved subsidiaries until the date when the Group ceases to control these subsidiaries.

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

2. BASIS OF PREPARATION

(a) Compliance with IFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and disclosure requirements of the the Rules Governing the Listing of Securities on the SEHK and Hong Kong Companies Ordinance (Cap. 622) (“**HKCO**”). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- International Auditing Standards;
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) – measured at fair value
- Investment properties – measured at fair value
- The preparation of financial statements in conformity with IFRSs 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 policy information.

(c) Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(d) New amendments and interpretation adopted by the Group in 2024

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing January 1, 2024:

- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Classification of Liabilities as Current or Non-current
- Amendments to IAS 1, Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

The adoption of these amendments did not have any material impact on the amounts recognised in prior periods and current period and is not expected to significantly affect future periods.

(e) New standards and amendments not yet adopted

Standards and amendments that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards	Effective for annual periods beginning on or after
Amendments to IAS 21, Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS Accounting Standards, Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Company have performed assessment on these new standards and amendments, and have concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group's consolidated financial statements when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of comprehensive income/loss; provide disclosures on management-defined performance measures in the Notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of comprehensive income/loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

(a) Description of segments and principal activities

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company that make strategic decisions. The CODM considers the business primarily from product perspective.

The Group has following reportable segments for the years ended December 31, 2024 and 2023:

- Online interactive entertainment service;
- Others.

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The selling and marketing expenses and general and administrative expenses are common costs incurred for the operating segments as a whole and therefore they are not included in the measure of the segments' performance which is used by the CODM as a basis for the purpose of resource allocation and assessment of segment performance. Interest income, other gains/(losses), net, finance income/(costs), net and income tax expense are also not allocated to individual operating segment.

There were no material inter-segment sales during the years ended December 31, 2024 and 2023. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated statement of comprehensive income/(loss).

Other information, together with the segment information, provided to CODM, is measured in a manner consistent with that applied in these financial statements. There were no segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

(b) Segment revenue and gross profit

The segment information provided to the CODM for the reportable segments is as follows:

	Year ended December 31, 2024		
	Online interactive entertainment service RMB'000	Others RMB'000	Total RMB'000
Revenue	5,641	4,519	10,160
Gross profit	3,628	4,475	8,103
– Depreciation, amortisation and impairment charges included in segment cost	–	–	–
Operating profit			17,850
Finance income			16,555
Finance costs			(8,956)
Share of result of investments accounted for using the equity method			728
Profit before income tax			26,177

	Year ended December 31, 2023		
	Online interactive entertainment service <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	66,394	1,227	<u>67,621</u>
Gross profit	57,651	1,197	<u>58,848</u>
– Depreciation, amortisation and impairment charges included in segment cost	<u>(584)</u>	<u>–</u>	<u>(584)</u>
Operating loss			(137,910)
Finance income			12,034
Finance costs			(9,066)
Share of result of investments accounted for using the equity method			<u>11,164</u>
Loss before income tax			<u><u>(123,778)</u></u>

A breakdown of the revenue derived from each revenue stream is as follows:

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Live social video platforms	5,516	63,409
Game operation	125	2,985
Software research and development	3,691	1,227
Others	<u>828</u>	<u>–</u>
	<u>10,160</u>	<u>67,621</u>

For the years ended December 31, 2024 and 2023, the total geographic information on the revenue is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
PRC (excluding Hong Kong)	19	56,477
Other regions	10,141	11,144
	<hr/>	<hr/>
Total	10,160	67,621
	<hr/> <hr/>	<hr/> <hr/>

During the year ended December 31, 2023, the Group suspended the operations of its live social video platforms in the PRC.

Information about major customer

Management currently expects that the Company's operating results will, for the foreseeable future, continue to depend on the revenue directly from a relatively small number of distributors. All the revenue derived from any single user of the live social video platform was less than 10% of the Group's total revenue during the years ended December 31, 2024 and 2023.

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Company A ¹	3,691	N/A ²

¹ *Revenue from Software research and development*

² *The corresponding revenue did not contribute over 10% of the total revenue of the Group*

(c) **Revenue from contracts with customers**

(i) *Disaggregation of revenue from contracts with customers*

The Group derives revenue from the transfer of services over time and at a point in time in the following major revenue streams:

	Live social video platforms RMB'000	Game operation RMB'000	Software research and development RMB'000	Others RMB'000	Total RMB'000
Year ended December 31, 2024					
Timing of revenue recognition					
At a point in time	5,516	125	–	828	6,469
Over time	–	–	3,691	–	3,691
	<u>5,516</u>	<u>125</u>	<u>3,691</u>	<u>828</u>	<u>10,160</u>
Year ended December 31, 2023					
Timing of revenue recognition					
At a point in time	63,249	2,985	–	–	66,234
Over time	160	–	1,227	–	1,387
	<u>63,409</u>	<u>2,985</u>	<u>1,227</u>	<u>–</u>	<u>67,621</u>

(ii) *Revenue recognised in relation to contract liability*

The following table shows how much of the revenue recognised in the current reporting period related to carried-forward contract liabilities.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
– Live social video platforms	–	8,992

(iii) *Transaction price allocated to unsatisfied performance obligation*

The Group has no revenue contract that has an original expected duration more than one year, thus management applied practical expedient under IFRS 15 and are not disclosing the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially satisfied at the end of each reporting period.

(d) Segment assets

The Group's non-current assets other than deferred income tax assets and financial instruments, broken down by location of the assets, is shown as follows:

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
PRC (excluding Hong Kong)	130,635	145,035
Other regions	47,701	75,048
	<u>178,336</u>	<u>220,083</u>

4. EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit expenses (including share-based compensation expenses)	43,434	68,445
Promotion and advertising expenses (a)	1,548	15,512
Impairment of intangible assets	–	2,208
Bandwidth and server custody fees	2,014	7,114
Depreciation and impairment charges of property and equipment	5,483	7,435
Depreciation of right-of-use assets	2,197	7,375
Travelling and entertainment expenses	5,563	8,229
Professional and consultancy fees	1,851	4,284
Utilities and office expenses	5,060	5,809
Commission charges by platforms	–	358
Amortisation charges of intangible assets	–	332
Auditors' remuneration		
– Audit services	1,750	2,780
– Non-audit services	250	20
Game development costs	–	1,230
Short-term operating lease	862	1,251
Others (b)	7,390	5,625
Total cost of revenue, selling and marketing expenses, administrative expenses, and research and development expenses	<u>77,402</u>	<u>138,007</u>

(a) Promotion and advertising expenses primarily consist of expenses for the promotion of the Group's business via different online and mobile channels which are settled based on the effective download and installation times.

(b) Others mainly includes tax surcharge expenses, payment handling cost and bank charges.

5. OTHER GAINS/(LOSSES), NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Net fair value (losses)/gains on financial assets at FVTPL		
– Venture capital and private equity funds (Note 12(b))	(24,634)	(41,978)
– Wealth management products (Note 12(e))	1,196	1,362
– Unlisted equity investments (Note 12(a))	47,839	(22,068)
– Structured notes (Note 12(d))	2,370	1,755
– Convertible promissory notes	–	(11,756)
– Listed equity securities (Note 12(g))	(4,506)	(17,613)
– Equity securities of suspension of trading (Note 12(f))	(15,105)	(27,247)
– Other financial instruments (Note 12(c))	58,419	24,661
Net fair value gain on financial liabilities at FVTPL	318	6,095
Net fair value gain on derivatives held for trading (Note 13)	655	22,443
Interest income on term deposits with initial term over 3 months	11,598	5,285
Rental income	7,465	5,175
Government grants		
– Technology award	5	6,227
– Tax related subsidies	–	118
– Others	491	79
Fair value adjustment to investment properties (Note 10)	(10,162)	(16,110)
Impairment of investment accounted for using the equity method	(6,770)	–
Interest income on loans to third parties, related parties and employees	806	369
Foreign exchange losses on non-financing activities	(211)	(1,883)
Losses/(gains) on disposal of property and equipment	(517)	179
Others	15,865	2,794
	<u>85,122</u>	<u>(62,113)</u>

6. FINANCE INCOME, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Finance income:		
– Interest income on cash and cash equivalents	<u>16,555</u>	<u>12,034</u>
Finance costs:		
– Exchange gain/(loss) on financing activities, net	163	(58)
– Interest charges for lease liabilities	(92)	(198)
– Interest expenses on borrowings	<u>(9,027)</u>	<u>(8,810)</u>
	<u>(8,956)</u>	<u>(9,066)</u>
Finance income, net	<u><u>7,599</u></u>	<u><u>2,968</u></u>

7. TAX EXPENSE

7.1 Income tax expense

The income tax expense of the Group for the years ended December 31, 2024 and 2023 are analysed as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Current income tax:		
– Enterprise income tax	<u>–</u>	<u>26</u>
	<u>–</u>	<u>26</u>
Deferred income tax:		
– Decrease in deferred tax assets (Note 19(a))	3,934	16,406
– Increase/(decrease) in deferred tax liabilities (Note 19(b))	<u>2,327</u>	<u>(5,158)</u>
	<u>6,261</u>	<u>11,248</u>
Income tax expense	<u><u>6,261</u></u>	<u><u>11,274</u></u>

(a) *Cayman Islands income tax*

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands, and accordingly is exempted from Cayman Islands income tax.

(b) *Hong Kong profits tax*

Under the current Hong Kong Inland Revenue Ordinance, the Company's subsidiaries incorporated in Hong Kong are subject to a two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

(c) *PRC enterprise income tax ("EIT")*

For all the years presented, the Group's subsidiaries and the PRC Operating Entities are subject to EIT on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the Enterprise Income Tax Law ("**EIT Law**"). Pursuant to the EIT Law, the Group's subsidiaries and the PRC Operating Entities are generally subject to EIT at the statutory rate of 25%.

Hangzhou Tiange and Zhejiang Tiange renewed 'New High-tech Enterprise' qualification under the EIT Law in 2020. Accordingly, they were entitled to a preferential EIT rate of 15% for a three-year period from 2021 to 2023.

The following table sets out applicable EIT rate of Group's subsidiaries and the PRC Operating Entities in the PRC for the years ended December 31, 2024 and 2023:

Names	Applicable EIT rate in	
	2024	2023
	%	%
Hangzhou Tiange	25	15
Zhejiang Tiange	25	15
Star Power Culture Media (Beijing) Co., Ltd.	25	25
Hantang	25	25
Jinhua9158	25	25
Jinhua99	25	25
Jinhua Tianhu Network Technology Co., Ltd.	25	25

(d) *PRC withholding tax (“WHT”)*

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% WHT rate. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. In November 2019, Week8 Holdings (HK) Limited (“**Week8(HK)**”) was approved by Inland Revenue Department of Hong Kong Special Administrative Region as a resident of the Hong Kong Special Administration for 2018 and the two succeeding calendar years. Pursuant to such approval, the dividends distributed to Week8(HK) from the PRC subsidiaries from 2018 to 2020 were subject to a WHT rate of 5%. In 2021, the request for renewing its resident of the Hong Kong Special Administration was approved. Therefore, the dividends distributed to Week8(HK) from the PRC subsidiaries from 2021 to 2023 would also be subject to a WHT rate of 5%. After 2023, Week8(HK) did not renew its resident of the Hong Kong Special Administrative.

No WHT was recognised for the years ended December 31, 2024 and 2023 since the WFOEs were in loss-making status in 2024 and 2023.

(e) *Numerical reconciliation of income tax expense to prima facie tax payable*

The tax on the Group’s profit/(loss) before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profit/(loss) of the consolidated entities as follows:

	Year ended December 31, (level 3 items)	
	2024	2023
	RMB’000	RMB’000
Profit/(loss) before income tax expense	26,177	(123,778)
Tax calculated at a tax rate of 25%	6,544	(30,945)
Tax effects of:		
Different tax jurisdiction	(19,763)	14,993
Preferential income tax benefits applicable to subsidiaries in China	—	2,577
Tax losses and temporary differences for which no deferred tax assets were recognised	23,595	27,045
Income not taxable for tax purpose	(3,306)	(2,396)
Utilisation of tax losses for which no deferred tax were recognized previously	(809)	—
Income tax expense	6,261	11,274

7.2 Tax losses

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Unused tax losses for which no deferred tax asset has been recognised	75,478	126,769
Potential tax benefit calculated at a tax rate of 25%	18,870	31,692

The unused tax losses were incurred by subsidiaries that are not likely to generate taxable income in the foreseeable future. The losses can be carried forward and will expire from 2025 to 2029 (2023: 2024 to 2028). See Note 19 for information about recognised tax losses.

7.3 Value-added tax (“VAT”)

The operation of the Group in the PRC primarily applies VAT as follows:

Category	Tax Rate %	Basis of Levies
VAT	6	Revenue from operation of live social video platforms and games
	6	Other revenue

8. EARNINGS/(LOSSES) PER SHARE

(a) Basic and diluted earnings/(losses) per share

Basic and diluted earnings/(losses) per share is calculated by dividing the profit/(loss) of the Group attributable to the owners of the Company by the weighted average number of ordinary shares in issue during each period.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Total profit/(loss) attributable to owners of the Company (RMB'000)	19,996	(134,670)
Weighted average number of ordinary shares in issue for the purpose of basic earnings/(losses) per share (thousand shares)	1,127,144	1,178,326
Effect of dilutive potential ordinary shares in respect of outstanding RSU (thousand shares)	187	—
Weighted average number of ordinary shares in issue for the purpose of diluted earnings/(losses) per share (thousand shares)	1,127,331	1,178,326
Basic profit/(losses) per share (in RMB/share) attributable to the ordinary equity holders of the Company	0.018	(0.114)
Diluted profit/(losses) per share (in RMB/share) attributable to the ordinary equity holders of the Company	0.018	(0.114)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the effect of all dilutive potential ordinary shares.

For the year ended December 31, 2024, share options and RSUs granted to employee and service provider (Note 16) are considered to be potential ordinary shares.

For the year ended December 31, 2023, the computation of diluted loss per share did not assume the exercise of share options and vesting of unvested RSU since their assumed exercise would result in a decrease in loss per share. Accordingly, diluted losses per share for the year ended December 31, 2023 was the same as basic losses per share.

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the balance sheet are as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Associates	40,112	51,537

The share of result recognised in the consolidated statement of comprehensive income/loss are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Associates	(6,042)	11,164

(a) Interests in associates

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
As at January 1	51,537	52,478
Disposals	—	(4,101)
Dividend received	(5,383)	(8,075)
Share of profit	728	11,164
Impairment	(6,770)	—
Currency translation difference	—	71
As at December 31	40,112	51,537

Management has assessed the level of influence that the Group has on certain associates and determined that it has significant influence even though the shareholding is below 20% because of the board representation or other arrangements. Consequently, these investments have been accounted for using the equity method and classified as associates.

In the opinion of management, no investment in these associates was considered to be individually material to the Group as at December 31, 2024 and 2023. There were no material contingent liabilities relating to the Group's interests in the associates.

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Aggregate carrying amounts of associates	40,112	51,537
Aggregate amounts of the Group's share of:		
Profit for the year	728	11,164

10. INVESTMENT PROPERTIES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
At fair value		
Opening amount	111,128	90,290
Additions	–	13,877
Transfer from owner-occupied properties (ii)	–	22,900
Disposal (i)	(14,535)	–
Net loss from fair value adjustment (Note 5)	(10,162)	(16,110)
Currency translation differences	55	171
	<u>86,486</u>	<u>111,128</u>
Closing amount	86,486	111,128

- (i) During the year ended December 31, 2024, the Group disposed one of its properties in Shanghai at a cash consideration of RMB14,535 thousand.
- (ii) During the year ended December 31, 2023, Hangzhou Tiange entered into several rental agreements to lease its self-owned properties located in Hangzhou to third parties. Due to the change in use of the property, the Group reclassified the property from “property and equipment” to “investment properties”.

In 2023, the difference of RMB2,079 thousand between the carrying amount of the leased property of RMB24,979 thousand and its fair value of RMB22,900 thousand on the transfer date was recognised in “other gains/(losses), net”.

The valuation of these investment properties were performed by an independent and qualified valuer (see Note (v) below).

- (iii) Amounts recognised in the consolidated statement of comprehensive income/loss for investment properties:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Lease income	5,921	5,175
Direct operating expenses related to properties that generated rental income	(518)	(500)
	5,403	4,675

As at December 31, 2024 and 2023, the Group had no unprovided contractual obligations for future repairs, maintenance or enhancements, and no properties were pledged as security by the Group.

- (iv) The Group obtained valuation performed by independent and qualified valuers to determine the fair value of the investment properties as at December 31, 2024 and 2023. The revaluation loss is included in other gains/(losses), net in the consolidated statement of comprehensive income/loss (Note 5). To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards.

Description	Fair value measurement as at December 31, 2024 using			Total RMB'000
	Quoted prices in active markets for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Recurring fair value measurements				
Beijing, China	—	—	31,480	31,480
Hangzhou I, China	—	—	21,048	21,048
Hangzhou II, China	—	—	21,550	21,550
London, UK	—	—	12,408	12,408
	—	—	86,486	86,486

Description	Fair value measurement as at December 31, 2023 using			Total <i>RMB'000</i>
	Quoted prices in active markets for identical assets (Level 1) <i>RMB'000</i>	Significant other observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	
Recurring fair value measurements				
Beijing, China	—	—	38,930	38,930
Shanghai, China	—	—	12,500	12,500
Hangzhou I, China	—	—	22,750	22,750
Hangzhou II, China	—	—	22,900	22,900
London, UK	—	14,048	—	14,048
	—	14,048	97,080	111,128

(v) Valuation techniques used to determine level 3 fair values

At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the value of a property within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

For the Group's investment properties, the valuation was determined using the income capitalisation approach, under which the property's estimated rental income and capitalisation rate are adjusted based on market research.

11. TRADE RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Third parties	603	4,389
Less: allowance for impairment of trade receivables	(16)	(989)
	<u>587</u>	<u>3,400</u>
Third parties, net	<u>587</u>	<u>3,400</u>

- (a) Ageing analysis based on recognition date of the gross trade receivables at the respective balance sheet dates are as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
0 – 90 days	505	2,581
91 – 180 days	98	609
181 – 365 days	–	232
Over 1 year	–	967
	<u>603</u>	<u>4,389</u>

- (b) The carrying amount of the Group's gross trade receivables by currency is listed as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	221	1,190
US\$	<u>382</u>	<u>3,199</u>

- (c) Movements on the Group's allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	RMB'000
As at January 1	989	754
Provision for receivables impairment	14	235
Write-off of receivables considered irrecoverable during the year	(987)	–
	<u>16</u>	<u>989</u>
As at December 31	<u>16</u>	<u>989</u>

(d) Fair value of trade receivables

As at December 31, 2024 and 2023, due to the short-term nature of the current receivables, their carrying amount is considered to approximate their fair value.

(e) Impairment and risk exposure

The Group performs impairment assessment under ECL model on trade receivables individually. Impairment of RMB14 thousand (2023: RMB235 thousand) is recognised for the years ended December 31, 2024 and 2023.

12. FINANCIAL ASSETS AT FVTPL

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Included in non-current assets		
Unlisted equity investments (a)	163,158	98,687
Investments in venture capital and private equity funds (b)	479,576	536,356
Other financial instruments (c)	633,290	611,946
	1,276,024	1,246,989
Included in current assets		
Structured notes (d)	16,104	1,361
Investments in wealth management products (e)	52,051	36,066
Other financial instruments (c)	349,474	214,003
Equity securities of suspension of trading (f)	2,778	17,584
Listed equity securities (g)	60,719	44,400
	481,126	313,414
	1,757,150	1,560,403

(a) Unlisted equity investments

This represents the Group's investments in unlisted equity interests. Set out below are the movements of the Group's unlisted equity investments for the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
As at January 1	98,687	139,653
Additions	16,607	–
Fair value change recognised in profit or loss (Note 5)	47,839	(22,068)
Transfer to listed equity securities	–	(19,541)
Currency translation difference	25	643
	<hr/>	<hr/>
As at December 31	163,158	98,687
	<hr/>	<hr/>

(b) Investments in venture capital and private equity funds

This represents the Group's investments in certain venture capital and private equity funds as a limited partner. The Group holds interests ranging from 0.25% to 49.02% (2023:0.25% to 49.02 %) as passive investors in these funds. The nature and purpose of these venture capital and private equity funds are to generate fees from managing assets on behalf of investors. These vehicles are financed through issuing units to investors. The Group's maximum exposure to loss is limited to the carrying amount of the interests held by the Group.

Set out below are the movements of the Group's investments in venture capital and private equity funds for the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
As at January 1	536,356	611,923
Additions (i)	1,776	7,334
Repayment of investments (ii)	(39,245)	(48,955)
Fair value change recognised in profit or loss (Note 5)	(24,634)	(41,978)
Currency translation difference	5,323	8,032
	<hr/>	<hr/>
As at December 31	479,576	536,356
	<hr/>	<hr/>

- (i) During the year ended December 31, 2024, the Group paid approximately RMB1,776 thousand to subscribe for interests in certain venture capital and private equity funds (2023: RMB7,334 thousand) as a limited partner. As the Group didn't have control or significant influence on these funds, the investments were classified as financial assets at FVTPL. These funds were established to invest in unlisted companies and to obtain capital appreciation and investment income.
- (ii) During the year ended December 31, 2024, the Group received a cash payment of RMB39,245 thousand (2023: RMB43,655 thousand) from certain venture capital and private equity funds for the return of investment principal. In addition, in December 2023, one of the venture capital and private equity funds also declared a return of investment of RMB5,300 thousand which was subsequently received by the Group in January 2024. The Group recorded such amount in prepayments and other receivables as at December 31, 2023.

(c) Other financial instruments

This represents the Group's investments in other financial instruments, which were offered by several international financial institutions. During the year ended December 31, 2024, the Group recognised a fair value gain of RMB58,419 thousand (2023: RMB24,661 thousand) on these investments.

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Included in current assets		
Exchange Traded Fund (i)	127,518	75,048
Private investment fund (ii)	50,916	62,804
Other fund investments	68,044	2,673
Bond	102,996	73,478
	349,474	214,003
Included in non-current assets		
Private investment fund (ii)	476,133	354,386
Insurance policies (iii)	118,411	134,778
REIT access fund (iv)	—	88,286
Blackstone private credit access fund (v)	30,947	27,930
Other fund investments	7,799	6,566
	633,290	611,946
	982,764	825,949

- (i) The balance represents the Group's investments in Exchange Traded Fund ("ETF") in the U.S. stock market. During the year ended December 31, 2024, the Group recognised a fair value gain of RMB28,162 thousand (2023: a fair value loss of RMB3,834 thousand) on the ETF investment.
- (ii) The balance represents the Group's private investment fund offered by several internationally reputable financial institutions which mainly invested in securities in the secondary market. During the year ended December 31, 2024, the Group recognised a fair value gain of RMB34,519 thousand (2023: a fair value loss of RMB13,524 thousand).
- (iii) The balance represents the Group's insurance policies offered by certain insurance companies. The insurance policies combined investment arrangements with insurance of the life of the key management and the beneficiary of insurance policies is the Group. During the year ended December 31, 2024, a fair value loss of RMB1,939 thousand (2023: RMB832 thousand) was recognised. As at December 31, 2024 and 2023, the insurance policies were pledged by the Group to the financial institution to apply for loan facilities.
- (iv) The Group's investment in REIT access fund was offered by an internationally reputable financial institution for investors to indirectly invest in the world's largest real estate income trust. For the year ended December 31, 2024, the Group recognised a fair value loss of RMB3,164 thousand on the fund investment (2023: a fair value gain of RMB653 thousand). During the year ended December 31, 2024, the Group disposed all of investment in REIT access fund and received proceeds from the disposal of the investment.
- (v) The balance represents the Group's investment in Blackstone private credit access funds, which mainly invested in debt instruments. During the year ended December 31, 2024, the fair value gain of the investment was RMB438 thousand (2023: RMB3,375 thousand).

(d) Structured notes

This represents the Group's investments in structured notes. These financial assets provide a potential return determined at the pre-determined interest rate or linked to the price of certain listed equity securities at the predetermined valuation day in future. Set out below are the movements of the Group's structured notes for the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
As at January 1	1,361	6,549
Additions	35,657	1,357
Disposals	(23,505)	(8,127)
Fair value change recognised in profit or loss (Note 5)	2,370	1,755
Currency translation difference	221	(173)
	<hr/>	<hr/>
As at December 31	16,104	1,361
	<hr/>	<hr/>

(e) Investments in wealth management products

This represents RMB-denominated wealth management products with expected yield rates ranging from 1.8% to 4.4% (2023: from 2.0% to 3.6%) per annum and maturity period within 1 year or revolving terms. These wealth management products are offered by large state-owned or reputable financial institutions in the PRC.

As at December 31, 2024, the Group held 17 (2023: 10) wealth management products, representing about 2.0% (2023: 1.4%) of the Group's total assets. The Group's investment costs in these wealth management products were RMB51,460 thousand (2023: RMB36,000 thousand).

For the year ended December 31, 2024, the Group recorded a gain of approximately RMB1,196 thousand (2023: RMB1,362 thousand) on these products, which included realised and unrealised gain.

(f) Equity securities of suspension of trading

Investment in equity securities of suspension of trading represents the Group's investment in certain equity securities listed on the Main Board of the SEHK and the trading in such equity securities was suspended since April 2023 and its listing on the Main Board of the SEHK had been cancelled on December 16, 2024. As at December 31, 2023, the Company conducted the fair value assessment using a market approach by benchmarking to the median share price decline ratio, between the dates of trading suspension and trading resumption, of certain selected companies listed on the SEHK that have experienced share trading suspension and resumption. Based on the result of the assessment, as at December 31, 2023, the balance of investment in equity securities of suspension of trading was RMB17,584 thousand, and the Group recognised a fair value loss of RMB27,247 thousand in other gains/(losses), net for the year then ended. During the year ended December 31, 2024, the Group has been actively seeking to dispose of the equity securities and received a number of quotations. Subsequent to the end of the reporting period and before the date of issuance of this announcement, the Group completed the disposal of the equity securities and received in full the cash consideration of RMB2,778 thousand. During the year ended December 31, 2024, the Group recognised a fair value loss of RMB15,105 thousand in other gains/(losses), net.

(g) Listed equity securities

The balance represents the Group's investment in equity securities listed in the U.S., Hong Kong and Chinese A-share stock markets. During the year ended December 31, 2024, the fair value loss of the investment was RMB4,506 thousand (2023: RMB17,613 thousand).

(h) Fair value and risk exposure

The carrying amount of the Group's financial assets at FVTPL are denominated in the following currencies:

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
US\$	1,322,588	1,150,711
RMB	402,846	377,462
Japanese Yen ("JPY")	14,840	3,653
HK\$	12,088	28,577
GBP	4,788	—

13. DERIVATIVE FINANCIAL INSTRUMENTS

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current assets	62,860	67,655
Current liabilities	(31,847)	(34,301)

As at December 31, 2024, the Group's derivative financial instruments were the options in active market, the price of derivative financial instruments were linked to the price of their underlying securities, including individual stock or stock market index. These derivatives were accounted for at FVTPL as they didn't qualify as hedges, they were classified as 'held for trading'. A net gain on derivatives of RMB655 thousand (Note 5) was recognised in profit or loss for the year ended December 31, 2024 (2023: a net gain of RMB22,443 thousand).

14. SHARE CAPITAL, SHARE PREMIUM AND REPURCHASED SHARES

	Number of Shares	Share capital		Share premium	Repurchased shares
		US\$'000	RMB'000	RMB'000	RMB'000
As at January 1, 2024	1,238,193,162	123.80	761	1,387,355	(53,949)
Employees RSU scheme:					
– shares vested and transferred	–	–	–	–*	–*
Repurchase of ordinary shares (a)	–	–	–	–	(54,549)
Cancellation of ordinary shares (a)	(105,849,000)	(10.6)	(76)	(50,252)	50,328
Dividends provided for or paid (b)	–	–	–	(22,116)	–
As at December 31, 2024	<u>1,132,344,162</u>	<u>113.2</u>	<u>685</u>	<u>1,314,987</u>	<u>(58,170)</u>
As at January 1, 2023	1,242,159,162	124.20	764	1,399,615	(53,740)
Repurchase of ordinary shares (a)	–	–	–	–	(1,648)
Cancellation of ordinary shares (a)	(3,966,000)	(0.40)	(3)	(1,436)	1,439
Dividends provided for or paid (b)	–	–	–	(10,824)	–
As at December 31, 2023	<u>1,238,193,162</u>	<u>123.80</u>	<u>761</u>	<u>1,387,355</u>	<u>(53,949)</u>

* amount less than RMB1,000

(a) During the year ended December 31, 2024, the Company repurchased 114,347,000 (2023: 4,722,000) ordinary shares of the Company on the SEHK with total cash consideration of HK\$60,499 thousand (2023: HK\$1,902 thousand) (approximately RMB54,549 thousand (2023: RMB1,648 thousand)), and 105,849,000 (2023: 3,966,000) repurchased ordinary shares had been cancelled and deducted from the share capital and share premium within shareholders' equity. As of December 31, 2024, the total number of shares recorded as repurchased shares was 72,867,000 (2023: 64,369,000) shares.

(b) The dividends paid in 2024 were RMB22,116 thousand (2023: RMB10,824 thousand) with HK\$0.01 per fully paid ordinary share.

15. OTHER RESERVES

	Statutory Reserves (a) RMB'000	Share-based Compensation Reserve RMB'000	Translation Differences RMB'000	Change in the fair value of owner- occupied properties RMB'000	Changes in ownership interests in subsidiaries without change of control RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024	135,277	296,017	163,427	8,184	149,494	1,813	754,212
Employees RSU scheme:							
– value of employee and service provider services	–	299	–	–	–	–	299
Disposal of an investment property	–	–	–	(1,579)	–	–	(1,579)
Disposal and dissolution of subsidiaries	(7,065)	–	4,881	–	967	–	(1,217)
Currency translation differences	–	–	33,183	–	–	–	33,183
As at December 31, 2024	128,212	296,316	201,491	6,605	150,461	1,813	784,898
	Statutory Reserves RMB'000	Share-based Compensation Reserve RMB'000	Translation Differences RMB'000	Change in the fair value of owner- occupied properties RMB'000	Changes in ownership interests in subsidiaries without change of control RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2023	155,690	296,017	135,045	8,184	149,494	1,813	746,243
Dissolution of subsidiaries (a)	(20,413)	–	–	–	–	–	(20,413)
Currency translation differences	–	–	28,382	–	–	–	28,382
As at December 31, 2023	135,277	296,017	163,427	8,184	149,494	1,813	754,212

(a) The statutory reserve was reclassified to the retained profits due to the dissolution of subsidiaries.

In accordance with the Company Law in the PRC and Articles of Association of the companies incorporated in the PRC now comprising the Group, i.e. the PRC Operating Entities, it is required to appropriate 10% of the annual net profits of the PRC Operating Entities, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing any net profit. When the balance of the statutory surplus reserve fund reaches 50% of the registered capital of the PRC Operating Entities, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be capitalised as capital, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of registered capital.

In addition, in accordance with the Law of the PRC on Enterprises with Foreign Investments and the stipulated provisions in the Articles of Association of Hangzhou Tiange, Zhejiang Tiange, Star Power and Tianyue appropriation from net profits (after offsetting accumulated losses brought forward from prior years) should be made by these wholly-foreign owned subsidiaries to their reserve funds. The percentage of net profit to be appropriated to the reserve fund is not less than 10% of the net profit. When the balance of the reserve fund reaches 50% of the registered capital, such transfer is not needed.

16. SHARE – BASED PAYMENTS

(a) Share options

The Company adopted two share option schemes, namely, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, under which the directors of the Company may, at their discretion, grant options to any qualifying participants to subscribe for shares in the Company, subject to the terms and conditions stipulated therein.

Movements in the number of outstanding share options are as follows:

	Average Exercise Price per Share Option	Number of Pre-IPO Share Options	Average Exercise Price per Share Option	Number of Post-IPO Share Options	Total Number of Share Options
As at January 1, 2024		1,645,100		949,000	2,594,100
Lapsed	US\$0.3500	<u>(1,645,100)</u>	HK\$3.5000	<u>(949,000)</u>	<u>(2,594,100)</u>
As at December 31, 2024		<u><u>-</u></u>		<u><u>-</u></u>	<u><u>-</u></u>
As at January 1, 2023		3,382,400		2,747,000	6,129,400
Lapsed	US\$0.3328	<u>(1,737,300)</u>	HK\$3.5000	<u>(1,798,000)</u>	<u>(3,535,300)</u>
As at December 31, 2023		<u><u>1,645,100</u></u>		<u><u>949,000</u></u>	<u><u>2,594,100</u></u>

During the year ended December 31, 2024, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were expired. During the years ended December 31, 2024 and 2023, no share option was granted.

Details of the expiry dates, exercise prices and the respective numbers of Pre-IPO share options, retroactively reflecting the one-to-ten basis bonus shares, and of Post-IPO share options, which remained outstanding as at December 31, 2024 and 2023, are as follows:

Trench	Expiry Date	Exercise price	Number of share options	
			December 31, 2024	2023
Trench VIII Option	10 years commencing from the date of grant of options since September 14, 2013	US\$0.2	–	–
Trench IX Option	10 years commencing from the date of grant of options since May 22, 2014	US\$0.35	–	1,645,100
Trench X Option	8 years and 10 months commencing from the date of grant of options since September 22, 2015	HK\$3.5	–	949,000
			–	2,594,100
Weighted average remaining contractual life of options outstanding at the end of the year			N/A	0.45 years

(b) Restricted share units

The Company adopted the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme, under which the directors of the Company may, at their discretion, grant RSUs to any qualifying participants, subject to the terms and conditions stipulated therein. During the year ended December 31, 2024, the Pre-IPO RSU Scheme was expired. On June 14, 2024, the Company adopted the 2024 share options and awards scheme, under which the directors of the Company may, at their discretion, grant share award to eligible participants, subject to the terms and conditions stipulated therein.

Movements of the number of outstanding RSUs during the years ended December 31, 2024 and 2023 are as follows:

	Number of shares
As at January 1, 2024	500,000
Granted (i)	880,000
Vested and transferred	(500,000)
As at December 31, 2024	880,000
As at January 1, 2023	–
Granted (ii)	500,000
As at December 31, 2023	500,000

- (i) On October 10, 2024, the Company granted RSUs in respect of 880,000 ordinary shares to one employee and one service provider under the 2024 share options and awards scheme. Pursuant to the vesting schedule, 100% of these newly issued shares shall vest in October 2025. The fair value of RSUs granted during the year ended December 31, 2024 was HK\$0.56 per share (equivalent to approximately RMB0.52 per share).
- (ii) On December 11, 2023, the Company granted Post-IPO RSUs in respect of 500,000 ordinary shares to one employee under the Post-IPO RSU Scheme. Pursuant to the vesting schedule, 50% of these newly issued shares shall vest in June 2024, and the remaining 50% shall vest in December 2024. The fair value of Post-IPO RSUs granted during the year ended December 31, 2023 was HK\$0.42 per share (equivalent to approximately RMB0.38 per share).

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Restricted share units granted under RSUs schemes	299	—

(d) Fair value of share options and RSUs

Before the Company consummated its IPO on the Main Board of SEHK, the directors of the Company have used the discounted cash flow method to determine the fair value of the underlying equity of the Company and adopted equity allocation method to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimates.

Upon the consummation of the IPO, the fair value of the underlying ordinary shares was calculated based on the market price of the Company's shares at the respective grant date.

Fair value of share options

The Directors of the Company used Binominal pricing model to determine the fair value of the share option granted, which is to be expensed over the vesting period.

Management estimated the risk-free interest rate based on the yield of Hong Kong government bond with a maturity life equal to the life of the share option. Volatility was estimated at grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date.

Fair value of RSUs

The fair value of RSUs was calculated based on the fair value of underlying ordinary shares as at the grant date.

(e) **Shares held for RSU Scheme**

The shares held for Pre-IPO RSU Scheme and Post-IPO RSU Scheme were presented as repurchased shares and had been deducted from shareholders' equity as the directors are of the view that such shares are within the Company's control until the shares are vested unconditionally to the participants and hence are considered as repurchased shares in substance.

17. BORROWINGS

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Included in current liabilities		
US\$ bank borrowings	108,188	47,167
HK\$ bank borrowings	60,745	76,790
JPY bank borrowings	29,131	11,126
	198,064	135,083

Since 2020, the Group has entered into a few loan facilities with certain internationally reputable financial institutions to finance its certain investments in financial assets. The total available amount under the current facilities is US\$310,878 thousand, of which US\$15,050 thousand, HK\$65,599 thousand and JPY636,173 thousand have been drawn down as at December 31, 2024.

The aggregate principal amounts of bank borrowings and applicable interest rates as at December 31, 2024 and 2023 are as follows:

	As at December 31, 2024		As at December 31, 2023	
	Amount 000	Interest rate per annum	Amount 000	Interest rate per annum
US\$ bank borrowings	US\$15,050	4.33%-5.53%	US\$6,659	4.83%
HK\$ bank borrowings	HK\$65,599	5.39%	HK\$84,735	6.20%
JPY bank borrowings	JPY636,173	0.45% -1.15%	JPY221,567	0.89%

Pursuant to the relevant loan facility agreements, the Group is subjected to the requirement of placing relevant portion of assets (“lending value”) in relation to the outstanding balance of the Group’s borrowings in the relevant financial institutions. According to the loan facility agreements between the Group and financial institutions, the Group is subjected to have lending value to the outstanding balance of borrowings at financial institutions in the ratio as stipulated in the relevant loan facility agreements.

18. TRADE PAYABLES

	As at December 31,	
	2024 RMB'000	2023 RMB'000
Third parties	<u>1,434</u>	<u>1,140</u>

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

	As at December 31,	
	2024 RMB'000	2023 RMB'000
0 – 90 days	335	176
91 – 180 days	65	20
181 – 365 days	73	321
Over 1 year	<u>961</u>	<u>623</u>
	<u>1,434</u>	<u>1,140</u>

The carrying amount of the Group's trade payables are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	116	—
US\$	1,264	1,140
HK\$	34	—
GBP	20	—

The carrying amounts of trade payables are considered to approximate their fair values due to their short-term nature.

19. DEFERRED INCOME TAX

(a) Deferred tax assets

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
Advertising expenses	—	3,881
Deductible losses from previous years	—	53
	<u>—</u>	<u>3,934</u>
Total deferred tax assets	—	3,934
	<u>—</u>	<u>3,934</u>
Set-off of deferred tax liabilities pursuant to set-off provisions	—	(3,881)
	<u>—</u>	<u>(3,881)</u>
Net deferred tax assets	<u>—</u>	<u>53</u>

The movements in deferred income tax assets, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Customer advance RMB'000	Advertising expenses RMB'000	Deductible losses from previous years RMB'000	Impairment losses RMB'000	Total RMB'000
As at December 31, 2023	—	3,881	53	—	3,934
Recognised in the consolidated statement of comprehensive income	—	(3,881)	(53)	—	(3,934)
As at December 31, 2024	—	—	—	—	—
As at December 31, 2022	2,389	16,007	1,891	53	20,340
Recognised in the consolidated statement of comprehensive income	(2,389)	(12,126)	(1,838)	(53)	(16,406)
As at December 31, 2023	—	3,881	53	—	3,934

The Group only recognises deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilise those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at December 31, 2024, the Group did not recognise deferred income tax assets of RMB18,870 thousand (December 31, 2023: RMB31,692 thousand) in respect of tax losses amounting to RMB75,478 thousand (December 31, 2023: RMB126,769 thousand). These tax losses will expire from 2025 to 2029 (2023: 2024 to 2028).

(b) Deferred tax liabilities

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
Unrealised investment income	25,411	23,084
Withholding tax of dividend	87	87
Total gross deferred tax liabilities	25,498	23,171
Set-off of deferred tax liabilities pursuant to set-off provisions	—	(3,881)
Net deferred tax liabilities	25,498	19,290

The movements in deferred income tax liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Assets Appreciation RMB'000	Unrealised investment income RMB'000	Withholding tax of dividend RMB'000	Total RMB'000
As at December 31, 2023	<u>—</u>	<u>23,084</u>	<u>87</u>	<u>23,171</u>
Recognised in the consolidated statement of comprehensive income/loss	<u>—</u>	<u>2,327</u>	<u>—</u>	<u>2,327</u>
As at December 31, 2024	<u><u>—</u></u>	<u><u>25,411</u></u>	<u><u>87</u></u>	<u><u>25,498</u></u>
As at December 31, 2022	2,104	25,794	431	28,329
Recognised in the consolidated statement of comprehensive income/loss	<u>(2,104)</u>	<u>(2,710)</u>	<u>(344)</u>	<u>(5,158)</u>
As at December 31, 2023	<u><u>—</u></u>	<u><u>23,084</u></u>	<u><u>87</u></u>	<u><u>23,171</u></u>

As at December 31, 2024, no deferred income tax liability had been provided for the PRC WHT that would be payable on the undistributed profits of approximately RMB388,359 thousand (2023: RMB425,071 thousand). Such earnings are expected to be retained by the PRC subsidiaries and not to be remitted to a foreign investor in the foreseeable future based on management's estimation of overseas funding requirements.

CORPORATE GOVERNANCE

The Group 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 Listing Rules as its own code of corporate governance. Save as disclosed below, during the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code and adopted most of the best practices set out therein. The Company will continue to review and monitor its corporate governance practices to ensure the compliance with the CG Code.

Pursuant to code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. Pursuant to code provision C.1.6 of the CG Code, non-executive directors should attend the general meetings. Mr. Fu Zhengjun, as the chairman of Board, and Ms. Cao Fei and Mr. Xiong Xiangdong, as the non-executive Directors, did not attend the Company’s AGM held on June 28, 2024 due to their other work commitment.

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 set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Reporting Period, the Company has repurchased a total of 114,347,000 shares on the Stock Exchange with an aggregate amount of HK\$60,499,315. As at the date of this announcement, all shares repurchased during the Reporting Period were cancelled. Details of shares repurchased during the Reporting Period are set out as follows:

Month of repurchases	Number of shares purchased on the Stock Exchange	Price paid per share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2024	2,862,000	0.530	0.420	1,351,680
February 2024	1,338,000	0.520	0.475	656,545
April 2024	7,025,000	0.510	0.395	3,339,680
May 2024	15,382,000	0.510	0.485	7,669,035
June 2024	8,712,000	0.540	0.495	4,403,800
July 2024	29,312,000	0.530	0.500	14,900,850
September 2024	21,204,000	0.660	0.480	11,734,025
October 2024	14,038,000	0.620	0.570	8,287,640
November 2024	7,720,000	0.590	0.560	4,431,460
December 2024	6,754,000	0.570	0.530	3,724,600
Total	114,347,000			60,499,315

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Reporting Period (including sale of treasury shares, if any). As at December 31, 2024, the Company did not hold any treasury shares.

FINAL DIVIDEND

The Board has proposed a final dividend of HK\$0.02 per share for the Reporting Period (2023: HK\$0.01). Subject to the approval at the forthcoming AGM to be held on June 20, 2025, the final dividend will be payable on July 31, 2025 to the Shareholders whose names appear on the register of members of the Company on July 18, 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the right to attend and vote at the forthcoming AGM to be held on June 20, 2025, the register of members of the Company will be closed from June 17, 2025 to June 20, 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, MUFG Corporate Markets Pty Limited of Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Central, Hong Kong for registration not later than 4:30 p.m. on June 16, 2025.

For determining the entitlement of the Shareholders to receive the final dividend, the register of members of the Company will be closed from July 17, 2025 to July 18, 2025 (both days inclusive), during which period no transfer of shares will be registered. All transfer documents accompanied by the relevant share certificates shall be lodged with the Company's share registrar in Hong Kong, MUFG Corporate Markets Pty Limited of Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Central, Hong Kong for registration not later than 4:30 p.m. on July 16, 2025.

AUDIT COMMITTEE

The Audit Committee has reviewed and discussed the annual results of the Group for the Reporting Period.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet as at December 31, 2024, and the consolidated statement of comprehensive income/loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 28, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT

The auditor has issued a qualified opinion in the independent auditor’s report on the consolidated financial statements of the Group for the year ended December 31, 2024. The details of which are extracted as follows:

“Qualified Opinion

We have audited the consolidated financial statements of Tian Ge Interactive Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), which comprise the consolidated balance sheet as at December 31, 2024, and the consolidated statement of comprehensive income/loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

As at December 31, 2023, the management assessed the fair value of the Group’s investment in the equity securities using a market approach by benchmarking to the median share price decline ratio, between the dates of trading suspension and trading resumption, of certain selected companies listed on the SEHK that have experienced share trading suspension and as explained in Notes 3.3 and 21 to the consolidated financial statements, the Group has an investment in certain equity securities listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**SEHK**”). However, that equity securities was suspended for trading since April 2023 and its listing on the Main Board of the SEHK had been cancelled on December 16, 2024. This investment is accounted for as financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated balance sheet. As at December 31, 2023 and 2024, the carrying amount of the Group’s investment in the equity securities was RMB17,584 thousand and RMB2,778 thousand, respectively, and the Group recognised a fair value loss of RMB27,247 thousand and RMB15,105 thousand for the years ended December 31, 2023 and 2024, respectively.

As at December 31, 2023, the management assessed the fair value of the Group’s investment in the equity securities using a market approach by benchmarking to the median share price decline ratio, between the dates of trading suspension and trading resumption, of certain selected companies listed on the SEHK that have experienced share trading suspension and resumption.

As set out in predecessor auditor's report dated March 28, 2024 on the Group's consolidated financial statements for the year ended December 31, 2023, the predecessor auditor had qualified its opinion due to the management was unable to provide evidence about the appropriateness of the selection of comparable companies to support the reasonableness of the median share price decline ratio adopted in the assessment of the fair value of the abovementioned equity securities. The predecessor auditor was unable to obtain sufficient appropriate audit evidence it considered necessary to assess the reasonableness of the median share price decline ratio adopted in the management's assessment of the fair value. Consequently, the predecessor auditor was unable to determine whether any adjustments might be necessary to the fair value of the Group's investment included in financial assets at FVTPL as at December 31, 2023 and the amount of fair value loss included in other gains/(losses), net for the year ended December 31, 2023.

Despite the above, given the lack of sufficient appropriate audit evidence to assess the appropriateness of the key assumptions adopted by the management in its previous year's assessments of the valuation of that equity securities, as of the date of this report, we were unable to determine whether any adjustments were necessary to the opening balances of the Group's investment in that equity securities as at January 1, 2024. Any adjustments to the opening balances of the fair value of the Group's investment in that equity securities as at January 1, 2024 could have a significant consequential effect on the consolidated statement of comprehensive income/loss as reported by the Group for the year ended December 31, 2024 and the corresponding figures. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments to the fair value change included in other gains/(losses), net recognised in the consolidated statement of comprehensive loss for the year ended December 31, 2024 were necessary.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion."

PUBLICATION OF ANNUAL REPORT

Pursuant to the requirements of the Listing Rules, the 2024 annual report of the Company will set out all information disclosed in the annual results announcement for the Reporting Period and will be sent to the Shareholders and uploaded on the websites of the Company (<http://www.tiange.com>) and the Stock Exchange (<http://www.hkexnews.hk>) in due course.

By order of the Board
Tian Ge Interactive Holdings Limited
Fu Zhengjun
Chairman

Hong Kong, March 28, 2025

As of the date of this announcement, the executive Directors are Mr. Fu Zhengjun and Mr. Mai Shi'en; the non-executive Director is Ms. Cao Fei; and the independent non-executive Directors are Mr. Tse Ming Lun Alan, Mr. Wang Mingchun and Mr. Lam Yick Man.