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## **IGG INC**

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

**(Stock Code: 799)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of IGG Inc (the “**Company**”) hereby announces the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2025. This announcement, containing the full text of the 2025 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results.

Both the English and Chinese versions of this results announcement are available on the websites of the Company ([www.igg.com](http://www.igg.com)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

The 2025 interim report of the Company will be published on the websites of the Company ([www.igg.com](http://www.igg.com)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and will be despatched to the shareholders of the Company in due course.

By order of the Board  
**IGG INC**  
**Zongjian Cai**  
*Chairman*

Hong Kong, 27 August 2025

*As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Zongjian Cai, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Jessie Shen and Mr. Feng Chen; one non-executive Director, namely, Mr. Yuan Chi; and three independent non-executive Directors, namely, Mr. Kam Wai Man, Ms. Feng Li and Mr. Tan Hup Foi.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Zongjian Cai (*Chairman and chief executive officer*)  
Mr. Yuan Xu  
Mr. Hong Zhang  
Ms. Jessie Shen  
Mr. Feng Chen

#### Non-executive Director

Mr. Yuan Chi

#### Independent Non-executive Directors

Mr. Kam Wai Man  
Ms. Feng Li  
Mr. Tan Hup Foi (*appointed on 28 May 2025*)  
Dr. Horn Kee Leong (*resigned on 28 May 2025*)

### BOARD COMMITTEES

#### Audit Committee

Mr. Kam Wai Man (*Chairman*)  
Ms. Feng Li  
Mr. Tan Hup Foi (*appointed on 28 May 2025*)  
Dr. Horn Kee Leong (*resigned on 28 May 2025*)

#### Nomination Committee

Mr. Tan Hup Foi (*Chairman*) (*appointed on 28 May 2025*)  
Mr. Zongjian Cai  
Mr. Kam Wai Man  
Ms. Feng Li  
Dr. Horn Kee Leong (*resigned on 28 May 2025*)

#### Remuneration Committee

Ms. Feng Li (*Chairman*)  
Mr. Zongjian Cai  
Mr. Kam Wai Man

### JOINT COMPANY SECRETARIES

Ms. Jessie Shen  
Ms. Yin Ping Yvonne Kwong (*FCG, HKFCG*)

### AUTHORISED REPRESENTATIVES

Mr. Zongjian Cai  
Ms. Jessie Shen  
Ms. Yin Ping Yvonne Kwong

### REGISTERED OFFICE

P.O. Box 31119, Grand Pavilion, Hibiscus Way  
802 West Bay Road, Grand Cayman  
KY1-1205 Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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#18-84 Mapletree Business City  
Singapore 117372

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

### AUDITOR

KPMG  
Certified Public Accountants  
(*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*)



## CORPORATE INFORMATION

### LEGAL ADVISER AS TO HONG KONG LAWS

Jingtian & Gongcheng LLP

### LEGAL ADVISER AS TO PRC LAWS

Jingtian & Gongcheng

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay, Grand Cayman, KY1-1100  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

### COMPANY WEBSITE

[www.igg.com](http://www.igg.com)

### PRINCIPAL BANKS

Citibank N.A. Singapore Branch  
Standard Chartered Bank (Singapore) Limited  
The Hongkong and Shanghai Banking Corporation  
Limited

### INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations Limited

## HIGHLIGHTS

	Six months ended 30 June	
	2025 HK\$' 000 (Unaudited)	2024 HK\$' 000 (Unaudited)
Revenue	2,721,445	2,735,274
Cost of revenue	(464,301)	(580,090)
Other net gains	27,815	173
Selling and distribution expenses	(1,346,044)	(1,221,314)
Administrative expenses	(159,503)	(163,821)
Research and development expenses	(393,924)	(394,508)
Profit for the period	324,691	330,945
Including: Net profit for core business (non-IFRS measure)	344,370	356,298
Loss on investments	(19,679)	(25,353)
Profit for the period attributable to equity shareholders of the Company	321,519	330,945
Adjusted net income (non-IFRS measure)	331,529	346,625

- The Group's core business includes mobile games, and mobile applications ("APP Business"). The Group's revenue for the first half of 2025 reached HK\$2.72 billion, remaining stable compared to the same period last year. "Doomsday: Last Survivors" and "Viking Rise" contributed approximately HK\$520 million and HK\$360 million respectively, while the APP Business generated HK\$530 million in revenue for the Group. "Lords Mobile", IGG's flagship title launched nine years ago, contributed HK\$1.15 billion.
- The Group achieved a profit of HK\$320 million for the Period, which remained relatively flat compared to the same period last year, but showed an increase of 29% compared to the second half of 2024. The Group's net profit for core business (non-IFRS measure) achieved HK\$340 million, while the investment business recorded an unrealised loss of approximately HK\$20 million due to fair-value changes of investees.
- The Board of Directors declared an interim dividend of HK8.3 cents per ordinary share, and a special dividend of HK5.6 cents per ordinary share. Total dividends declared for the Period amounted to HK13.9 cents per ordinary share, equivalent to approximately HK\$161 million, representing approximately 50% of the profit for the Period. The Group allocated approximately HK\$35 million for share buy-backs, which corresponds to approximately 11% of the profit for the Period. The total dividends declared, plus share buy-backs, accounted for approximately 61% of the profit for the Period.



## HIGHLIGHTS

### NON-IFRS FINANCIAL MEASURES

To supplement the Group's consolidated financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"), we have presented net profit for core business (non-IFRS measure) and adjusted net income (non-IFRS measure) as additional financial measures not prepared in accordance with IFRS. We believe these non-IFRS measures provide useful supplementary information for investors to evaluate the Group's profitability and operating performance during the financial period.

The following table provides a reconciliation of net profit for core business (non-IFRS measure) and adjusted net income (non-IFRS measure) to the most directly comparable financial measures calculated and presented under IFRS:

	Six months ended 30 June	
	2025	2024
	HK\$' 000	HK\$' 000
	(Unaudited)	(Unaudited)
Profit for the period	324,691	330,945
Less:		
Net fair value losses on investments	(12,592)	(45,345)
Gain on disposal of financial assets at fair value through profit or loss	46	59
Dividend income	3,782	14,663
Impairment loss on interests in associates	(11,001)	(2,701)
Share of results of associates and joint ventures	86	7,971
Loss on investments	(19,679)	(25,353)
Net profit for core business (non-IFRS measure)	344,370	356,298

	Six months ended 30 June	
	2025	2024
	HK\$' 000	HK\$' 000
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity shareholders of the Company	321,519	330,945
Add:		
Equity-settled share-based payment expenses	10,010	15,680
Adjusted net income (non-IFRS measure)	331,529	346,625

These unaudited non-IFRS measures should be considered as supplementary to, and not as a substitute for, the Group's financial performance measures prepared in accordance with IFRS. Furthermore, the definition of these non-IFRS measures may differ from similar measures used by other companies.

## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL PRESENCE

Established in 2006, IGG is a renowned developer and publisher of mobile games and applications with a strong global presence and an international customer base. Leveraging its success in client and browser PC online games, the Group changed its strategy to target the mobile games market in 2013. After years of effort, the Group's mobile games are now available in 23 different languages worldwide with approximately 1.6 billion users in total and 15 million monthly active users ("MAU"), while the APP Business has also hit its stride after a decade of perseverance. Embracing our corporate spirit of "Innovators at Work, Gamers at Heart", the Group is dedicated to creating high-quality and enjoyable games and applications that will stand the test of time.

IGG is headquartered in Singapore with local offices in the United States, China, Canada, Japan, South Korea, Thailand, the Philippines, Indonesia, Brazil, Türkiye, Italy and Spain, and has users from more than 200 countries and regions worldwide. Over the years, IGG has aggressively pursued a strategy of globalisation in R&D and operations, establishing long-term relationships with over 100 business partners, including global platforms, advertising channels, and vendors such as Apple, Google, and Meta. The Group's international presence and partnerships have enhanced its competitive advantage in the industry.

### BUSINESS REVIEW

Amid rising competition in the gaming market, the Group remains undaunted by these challenges and continues to advance its diversified development initiatives. In the first half of 2025, the Group achieved revenue of HK\$2.72 billion, remaining stable compared to the same period last year. "Doomsday: Last Survivors" and "Viking Rise" contributed approximately HK\$520 million and HK\$360 million respectively, while the APP Business generated HK\$530 million in revenue for the Group. These three contributors accounted for 52% of the Group's revenue. "Lords Mobile", IGG's flagship title launched nine years ago, contributed approximately HK\$1.15 billion. During the Period, revenue from Asia, Europe and North America accounted for 42%, 35% and 19%, respectively, of the Group's total revenue.

In the first half of 2025, the Group reported a profit of HK\$320 million, which remained relatively flat compared to the same period last year, but marked an increase of 29% compared to the second half of 2024. During the Period, the Group increased its marketing expense by 10% year-on-year, aimed at expanding user acquisition and extending product life spans. The Group's net profit for core business (non-IFRS measure) achieved HK\$340 million, while the investment business recorded an unrealised loss of approximately HK\$20 million due to fair-value changes of investees.



## MANAGEMENT DISCUSSION AND ANALYSIS

### *“Lords Mobile”*

“Lords Mobile”, IGG’s blockbuster title that debuted nine years ago, is the Group’s first cross-platform, multi-language, real-time game, lauded by Sensor Tower for its longevity<sup>1</sup>, and designed for a global audience. It has received widespread acclaim from gamers, and consistently generates stable revenue for the Group. As at 30 June 2025, it has amassed 770 million registered users worldwide. During the Period, the game introduced IP collaborations with “Terracotta Warriors of Qin Shihuang”, “Coca-Cola”, and hit movie “Pacific Rim”, alongside offline tournaments and gamers’ meetup events.

### *“Doomsday: Last Survivors”*

Since its launch, the game “Doomsday: Last Survivors” has regularly introduced new features, including new team formation “Off-Limits War”, which significantly enhanced gamer engagement. Additionally, the game ran a series of collaborations with different partners, including hit movies “Pacific Rim” and “Godzilla x Kong: The New Empire”, all of which were well-received by its 86 million players<sup>2</sup>. The Group is gearing up once again for the “2025 World Championship” featuring “Lords Mobile”, “Doomsday: Last Survivors”, and “Viking Rise”, allowing players to experience the thrill of live competitive gaming. In the first half of 2025, the game contributed HK\$520 million in revenue, representing a 6% increase year-on-year.

### *“Viking Rise”*

“Viking Rise”, the Group’s first Viking-themed strategy game, received widespread acclaim when it was launched in late 2022. Throughout the Period, the game continued to introduce new features, including a new jewel equipment system, and a new conquest season, to provide gamers a fresh experience. Additionally, the game introduced a series of IP collaborations and participated in game events globally. As at 30 June 2025, it has approximately 53 million registered users. In the first half of 2025, the game generated HK\$360 million in revenue, an 18% year-on-year increase.

<sup>1</sup> Source: Sensor Tower, a third-party analytics platform.

<sup>2</sup> User data as of 30 June 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS

### *New game*

“Fate War”, which was released in early August, has been well received by players. Upon launch, “Fate War” was ranked among the top three on the iOS simulation games download list in 22 countries and regions worldwide, including the U.S., Japan, Korea, Germany, France, England, Italy, and others<sup>3</sup>. It not only earned acclaim from gamers for its free movement and play mode, but was also prominently featured on Apple’s App Store and Google’s Play Store worldwide. The game uniquely blends simulation and strategy gameplay, along with rich tactical battles. As at 27 August 2025, the game has 1.2 million registered users and 1.2 million MAU, with HK\$20 million in gross billing, underscoring its significant growth potential.

### *APP Business*

Leveraging the Group’s global operational expertise and a base of more than 1 billion users, the APP Business achieved significant breakthroughs and remarkable growth over the past two years. It reached over 73 million MAU, representing an increase of 79% compared to the same period last year. In the first half of 2025, it generated HK\$530 million in revenue, an increase of 30% year-on-year, and accounted for approximately 20% of the Group’s total revenue. The APP Business has emerged as a vital growth driver for the Group, contributing a noteworthy profit of HK\$73 million, representing 22% of the Group’s profit.

### *Investments*

The main objectives of the Group’s investments are to strengthen its overall R&D capability and enrich its product portfolio. Through strategic agreements with companies in the games industry, including licensed publishing and outsourced game development, the Group strives to diversify its game portfolio. At the same time, the Group tracks strategic directions in the Internet industry by investing in private equity funds with outstanding performance and portfolios focused on mobile Internet business. During the Period, the Group recorded a slight loss of approximately HK\$20 million due to fair-value changes of investees.

## PROSPECTS

Entering the second half of 2025, the Group will continue to enhance its gaming and APP Business, with a commitment to sustaining long-term profitability. Embracing the corporate spirit of “Innovators at Work, Gamers at Heart”, the Group will continue to strengthen its global R&D and operational capabilities, to relentlessly pursue its strategy of quality, innovation, and excellence in creating innovative yet timeless games.

<sup>3</sup> Ranking data: as at 27 August 2025 from a third-party analytics platform data.ai

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group's revenue for the Period was HK\$2,721 million, remaining stable compared to the revenue of HK\$2,735 million for the corresponding period of last year.

The following table sets forth a breakdown of the Group's revenue for the Period and the corresponding period in 2024, respectively:

	Six months ended 30 June			
	2025		2024	
	HK\$'000	%	HK\$'000	%
<b>Games:</b>				
“Lords Mobile”	1,147,300	42.2	1,338,211	48.9
“Doomsday: Last Survivors”	523,644	19.2	492,850	18.0
“Viking Rise”	364,343	13.4	308,515	11.3
Other games	155,736	5.7	186,632	6.8
<b>APP Business</b>	<u>530,422</u>	<u>19.5</u>	<u>409,066</u>	<u>15.0</u>
<b>Total</b>	<u>2,721,445</u>	<u>100.0</u>	<u>2,735,274</u>	<u>100.0</u>

#### Cost of revenue

The Group's cost of revenue for the Period was HK\$464 million, representing a decrease of 20% compared to HK\$580 million for the corresponding period in 2024, primarily due to the decrease in operating costs of the Group.

#### Gross profit and gross profit margin

The Group's gross profit for the Period was HK\$2,257 million, representing an increase of 5% compared to HK\$2,155 million for the corresponding period in 2024. The Group's gross profit margin for the Period was 83%, representing an increase of 4% compared to 79% for the corresponding period in 2024. The increase in gross profit and gross profit margin was primarily due to the continued optimisation of the Group's operating costs and the increase in proportion of revenue contributed by the APP Business, which has a higher gross profit margin.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Other net gains

The Group's other net gains for the Period was approximately HK\$28 million, representing a significant increase compared to approximately HK\$0.2 million for the corresponding period in 2024. This substantial rise was primarily attributable to higher interest income received by the Group, and a decrease in net fair value losses on investments during the Period. More details on other net gains are set out in note 4 to the unaudited interim financial report, and details on the Group's investments can be found below in the "Investments" section.

### Selling and distribution expenses

The Group's selling and distribution expenses for the Period was HK\$1,346 million, representing an increase of 10% compared to HK\$1,221 million for the corresponding period in 2024. This increase was primarily due to the Group's increased marketing expenses during the Period, aimed at enhancing user acquisition and extending product life spans.

### Administrative expenses

The Group's administrative expenses for the Period was HK\$160 million, representing a slight decrease of 3% compared to HK\$164 million for the corresponding period in 2024. Administrative expenses-to-revenue ratio for the Period was 6%, remaining unchanged from the corresponding period in 2024.

### Research and development expenses

The Group's research and development expenses for the Period was HK\$394 million, remaining largely unchanged from HK\$395 million for the corresponding period in 2024. Research and development expenses-to-revenue ratio for the Period was 14%, consistent with the ratio for the corresponding period in 2024.

### Share of results of associates and joint ventures

The Group's share of results of associates and joint ventures for the Period was a net gain of HK\$0.086 million, representing a significant decrease of 99% compared to HK\$8 million for the corresponding period in 2024, primarily due to lower investment profits recognised from associates and joint ventures during the Period. More details on the share of results of associates and joint ventures are set out in note 11 to the unaudited interim financial report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Income tax expenses

The Group's income tax expenses for the Period was HK\$59 million, representing an increase of 15% compared to HK\$51 million for the corresponding period in 2024. The increase in income tax expenses was primarily attributable to higher taxable profits during the Period.

### Capital expenditures

During the Period, the Group's capital expenditures were mainly related to construction of a self-use office building in Fuzhou, China, renovation of offices in various regions, purchases of servers and computers, and purchases of software. Capital expenditures for the Period and the corresponding period in 2024 are set forth below:

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
<b>Acquisition of property, plant and equipment:</b>		
Office premises and renovations <sup>#</sup>	35,708	68,244
Servers and computers	8,842	8,769
<b>Purchase of intangible assets:</b>		
Software	1,038	1,663
<b>Total</b>	<b>45,588</b>	<b>78,676</b>

<sup>#</sup> It was mainly related to the payment for the Period for construction of a self-use office building in Fuzhou. On 18 January 2022, Fuzhou Tianping, an indirect wholly-owned subsidiary of the Company, entered into a letter of award with the First Company of China Eighth Engineering Division Ltd.\* (中建八局第一建设有限公司) (the "Contractor"), pursuant to which Fuzhou Tianping has awarded a construction contract to the Contractor with an aggregate construction area of approximately 49,200 square meters at a contract sum of RMB422 million (equivalent to approximately HK\$515 million, at the exchange rate on the signing date) in respect of the construction of office building(s) on the Land located in Jin'an District, Fuzhou, the PRC. As at the date of this report, the construction work has been completed and is now occupied. Please refer to the announcement of the Company dated 18 January 2022 for further details. Except for the aforesaid construction of self-use office building, there was no property held by the Group for development, sale or investment for which the percentage ratios (as defined under rule 14.04(9) of the Listing Rules) exceed 5% during the Period.

\* For identification purpose only



## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity, capital resources and gearing ratio

As at 30 June 2025, the Group had net current assets of HK\$1,817 million (31 December 2024: HK\$1,613 million), and gearing ratio of the Group, calculated as total liabilities divided by total assets, was 25.6% (31 December 2024: 29.3%).

As at 30 June 2025, the Group had cash and cash equivalents of HK\$2,502 million (31 December 2024: HK\$2,246 million).

Except for lease liabilities as set out in note 19 to the unaudited interim financial report, the Group did not have any bank borrowings or other financing facilities as at 30 June 2025 and 31 December 2024.

### Operating activities

Net cash inflow generated from operating activities was HK\$355 million for the Period, compared to HK\$603 million for the corresponding period of 2024. The decrease in net cash inflow generated from operating activities during the Period was primarily due to an increase of promotion expenses.

### Investing activities

Net cash inflow generated from investing activities was HK\$6.6 million for the Period, primarily due to the cash inflow of HK\$76 million generated from the disposal of assets held for sale. Meanwhile, there was a payment of HK\$36 million in construction costs for a self-use office building in Fuzhou, China. Net cash outflow used in investing activities for the corresponding period of 2024 was HK\$64 million, primarily due to the payment of construction costs of HK\$63.6 million for a self-use office building in Fuzhou, China, and a cash inflow of HK\$14.7 million generated from dividends received from investees.

### Financing activities

Net cash outflow used in financing activities was HK\$132 million for the Period, primarily attributable to payment of dividends and share repurchase, and lease rentals paid for right-of-use assets. Net cash outflow used in financing activities for the corresponding period of 2024 was HK\$60 million, primarily attributable to payments for share repurchase and lease rentals paid for right-of-use assets.

### Foreign currency risk

The Group's transactions conducted during the Period were mostly denominated in USD and SGD. The Group's management team closely monitors foreign exchange exposure to ensure that appropriate measures are implemented in a timely and effective manner. Historically, the Group has not incurred any significant foreign currency exchange losses in its operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Legal compliance

As the Group is continuously expanding its businesses worldwide, it is required to comply with the applicable laws and regulations in different jurisdictions that are specifically relevant to the Group's business, such as laws relating to data protection, internet information security, intellectual property and gaming industry.

Protecting users' personal data is the top priority of operations, and the Group is fully aware that any misuse, loss or leakage of users' data could have a negative impact on affected users and the Group's reputation and may even lead to potential legal action against the Group. The Group is committed to safeguarding the security of users' personal data. In this regard, the update of privacy policy and the treatment and control measures of users' personal data form part of this commitment. When collecting and processing such data, the Group explains the purpose of the acquired data and obtains the consent of users. Users also have the right to request modify or delete their personal data. In addition, information security keeps the personal data anonymous to the maximum extent possible through effective management systems, also, employing internal processing mechanisms of data management, separation of access and restrictions on access, to ensure the highest level of protection of personal data.

### Dividend

The Board has resolved to declare an interim dividend of HK8.3 cents per ordinary Share and a special dividend of HK5.6 cents per ordinary Share, amounting to a total of HK13.9 cents per ordinary Share, with an aggregate amount of approximately HK\$161 million (for the six months ended 30 June 2024: HK8.5 cents per ordinary Share).

The Company consistently adheres to the principle of balancing shareholder returns with financial prudence. Based on a comprehensive evaluation of the Group's current financial position, business development plans, cash flow projections, and the scale of share buy-backs, the Board has decided to distribute an additional special dividend of approximately HK\$64 million on top of the regular dividend for the Period, representing 20% of the Group's profit for the Period.

The register of members of the Company will be closed from Monday, 15 September 2025 to Thursday, 18 September 2025, both days inclusive, during which period no transfer of Shares will be registered for the purpose of determining Shareholders' entitlements to the interim dividend and special dividend. The record date for entitlement to the interim dividend and special dividend is on Thursday, 18 September 2025. In order to qualify for the interim dividend and special dividend, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 September 2025. The payment date of the interim dividend and special dividend is expected to be on Friday, 26 September 2025.

### Share repurchase

The Group had repurchased 9,335,000 Shares during the Period, amounting to approximately HK\$35 million. Taking into account the declared dividends of approximately HK\$161 million for the Period, the total payment of share repurchase and declared dividends amounted to approximately HK\$196 million, representing approximately 61% of the profit for the Period (for the six months ended 30 June 2024: the total payment of share repurchase and dividends was HK\$133 million, represented 40% of the profit for the corresponding period of 2024).



## MANAGEMENT DISCUSSION AND ANALYSIS

### Human resources

As at 30 June 2025, the Group had 2,142 employees (as at 30 June 2024: 1,984), and the Group's total staff-related costs amounted to HK\$479 million for the Period (for the six months ended 30 June 2024: HK\$463 million).

The Group's emolument comprises basic salary, bonus and share-based compensation, and these are reviewed by the remuneration committee periodically. The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regarded the Group's operating results, individual performance, comparable market statistics and the Company's share price. Details of the share-based schemes are set out in the section headed "Other Information" of this report.

### Investments

As at 30 June 2025, the Group's carrying amount of investments was HK\$489 million (as at 31 December 2024: HK\$580 million), including interests in associates and joint ventures, financial assets at fair value through profit or loss and assets held for sale. Details of the investments of the Group are set out in notes 11, 12 and 17 to the unaudited interim financial report.

Details of loss on investments of the Period and the corresponding period in 2024 are set forth below:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Fair value change and gain on disposal of other financial assets and dividend income		
— Griffin Gaming Partners, L.P.	(3,237)	(8,050)
— MFund, L.P.	11,847	(24,464)
— Other funds and equity investments	(17,374)	1,891
Impairment loss on interests in associates and joint ventures	(11,001)	(2,701)
Share of results of associates and joint ventures	86	7,971
<b>Total</b>	<b>(19,679)</b>	<b>(25,353)</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Private equity funds

As at 30 June 2025, the Group held private equity funds at fair value through profit or loss amounting to approximately HK\$299 million, mainly including MFund, L.P. and Griffin Gaming Partners, L.P., which are set forth below:

Name of investee Company	Percentage of interests held by the Group	Investments cost as at 31 December 2024 HK\$' 000	Investments cost as at 30 June 2025 HK\$' 000	Fair value as at 31 December 2024 HK\$' 000	Fair value as at 30 June 2025 HK\$' 000 (Note)	Unrealised gain/(loss) on change in fair value for the Period HK\$' 000	Realised gain for the Period HK\$' 000	Dividend received/receivable during the Period HK\$' 000
MFund, L.P. ("MFund")	4.71%	23,286	23,286	114,458	123,342	7,507	–	4,340
Griffin Gaming Partners, L.P. ("Griffin")	5.44%	89,532	90,934	99,404	98,639	(3,237)	–	–

Note: During the Period, the unrealised exchange gain of the above investments was approximately HK\$2.45 million.

The Group first entered into a limited partnership agreement with MFund, an Independent Third Party private equity fund, in 2014. The Group, as a limited partner, undertook to subscribe for the share of assets in MFund at a sum of US\$3.0 million (equivalent to HK\$23.29 million), accounting for approximately 4.37% interests<sup>4</sup>. MFund has a diversified investment portfolio, including equity investments in mobile internet industry, which is in alignment with the Group's strategic investment objectives. The investment cost and fair value of the Group's interests in MFund comprised approximately 0.5% and 2.67% of the total assets of the Group as at 30 June 2025, respectively.

The Group first entered into a limited partnership agreement with an Independent Third Party to subscribe for the relevant share of interest of Griffin in 2019. Griffin mainly focuses on the investment in gaming related companies worldwide, and its investment portfolio is in line with the Group's strategic investment objective. Subsequently in 2020, the Group entered into a subscription increase letter, pursuant to which the Group's total commitment in Griffin was US\$12.0 million (equivalent to approximately HK\$93.3 million) for an aggregate of approximately 5.44% interests in it. As at 30 June 2025, the Group has contributed US\$11.70 million (equivalent to approximately HK\$90.93 million) to Griffin. The investment cost and fair value of the Group's interests in Griffin comprised approximately 1.97% and 2.14% of the total assets of the Group as at 30 June 2025, respectively.

Save as disclosed above, there were no other material investments held by the Group as at 30 June 2025.

<sup>4</sup> Due to the fund partner shareholding changes, the Group's interest raised to 4.71%.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Material acquisitions and disposals of subsidiaries and associates and joint ventures

Except for the disposal of assets held for sale as set out in note 17 to the unaudited interim financial report, during the Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures (for the six months ended 30 June 2024: nil), nor did it have any future plans for material investments or capital assets as at the date of this report. More details on associates and joint ventures are set out in note 11 to the unaudited interim financial report.

To optimise the Group's asset portfolio and facilitate capital utilization focused on its core business, in 2025, the Group plans to dispose of 100% share capital in Renaissance Management Srl (the "Potential Disposal"), a wholly-owned subsidiary of the Company. This subsidiary holds a historical complex known as Palazzo Magnani Feroni in Borgo S. Frediano 5, Florence, 50124, Italy. As at the date of this report, the Group has not entered into any legally binding agreement in relation to the Potential Disposal. The Potential Disposal may or may not proceed. If the Potential Disposal materialises, it may constitute a disclosable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate.

Save as disclosed above, the Group has no future plans for material investments or capital assets as at the date of this report.

### Capital commitment

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Construction of self-use office building	–	41,970
Investment contracts	18,053	3,726
Acquisition of fixed assets	–	1,088
<b>Total</b>	<b>18,053</b>	<b>46,784</b>

As at 30 June 2025, the Group had capital commitments of HK\$18 million, primarily relating to outstanding contractual payments for investments in the mobile internet and gaming related companies and funds (31 December 2024: HK\$47 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Pledge on assets**

Except for restricted deposits as set out in note 15 to the unaudited interim financial report, no asset of the Group was pledged as a security for bank borrowing or any other financing activities as at 30 June 2025.

### **Contingent liabilities**

The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: nil).



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to its Shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, while focusing on areas such as internal control and risk management, as well as fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company.

The Company believes that effective corporate governance is essential to create more value for the Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for the Shareholders.

The Company is committed to maintaining high standards of corporate governance in the best interests of Shareholders. During the Period, except for the deviation from code provision C.2.1 of the Corporate Governance Code, the Company has complied with the code provisions of the Corporate Governance Code.

Under code provision C.2.1 of the Corporate Governance Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The Group does not at present separate the roles of the chairman and chief executive officer. Mr. Zongjian Cai is the chairman and chief executive officer of the Group. He has extensive experience in online game industry and is responsible for the overall corporate strategic planning and business development of the Group. The Board considers that vesting the roles of chairman and chief executive officer in the same individual can provide strong leadership to the Group and ensures efficient execution of corporate plans and objectives. In addition, the balance of power and authorities is ensured by the composition of the Board, which comprises experienced and high caliber individuals. The Board currently comprises five executive Directors, one non-executive Director and three independent non-executive Directors, who would be able to offer advice from different perspectives. All major decisions are made by the Board members in consultation with the management team of the Company. Based on the above, the Board considers that the current arrangement has appropriate checks and balance of power in place to safeguard the interest of the Group and the Shareholders as a whole.

### MODEL CODE

During the Period, the Company has also adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code regarding directors' securities transactions during the Period.

## CORPORATE GOVERNANCE

### CHANGES IN DIRECTORS' INFORMATION

There has been no change in information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### REVIEW OF INTERIM FINANCIAL STATEMENTS

Disclosure of financial information in this report complies with Appendix D2 to the Listing Rules. The audit committee of the Company has held meetings to discuss the internal controls and financial reporting matters of the Company, including the review of the unaudited interim results and the unaudited interim financial report for the Period.

The external auditor, KPMG, has reviewed the interim financial report for the Period in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."



## OTHER INFORMATION

### DISCLOSURE OF INTEREST AS PER REGISTERS KEPT PURSUANT TO THE SFO

**(a) Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures**

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Listing Rules were as follows:

*Long positions in shares of the Company and its associated corporation*

Interests in	Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
1. The Company	Mr. Zongjian Cai (Notes 1, 2)	Beneficial owner, interest in a controlled corporation, spouse interest, interests held jointly with another person	266,101,777	22.64%
	Mr. Yuan Xu (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
	Mr. Hong Zhang (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
	Ms. Jessie Shen (Note 3)	Beneficial owner	5,841,651	0.50%
	Mr. Feng Chen (Note 4)	Beneficial owner	14,770,082	1.26%
	Mr. Yuan Chi (Note 5)	Beneficial owner, interest in a controlled corporation	154,187,000	13.12%
	Mr. Kam Wai Man (Note 6)	Beneficial Owner	138,500	0.01%

## OTHER INFORMATION

Interests in	Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
	Ms. Feng Li (Note 7)	Beneficial Owner	39,500	0.00*%
	Mr. Tan Hup Foi (Appointed on 28 May 2025) (Note 8)	Beneficial owner	30,000	0.00*%
	Dr. Horn Kee Leong (Resigned on 28 May 2025) (Note 9)	Beneficial owner	240,000	0.02%
2. Associated corporation:	Mr. Yuan Xu (Note 10)	Beneficial owner	—	—
UGen World Inc.	Mr. Hong Zhang (Note 11)	Beneficial owner	—	—

# These percentage represents a percentage less than 0.01.

### Notes:

- (1) Pursuant to an acting in concert agreement dated 16 September 2013, as amended by an amendment dated 18 October 2016, Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen (spouse of Mr. Zongjian Cai) and Mr. Zhixiang Chen agreed that they would act in concert with each other with respect to material matters relating to the Company's operation. Each of Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen and Mr. Zhixiang Chen is therefore deemed to be interested in the Shares held by one another under the SFO.
- (2) Mr. Zongjian Cai was the beneficial owner of 746,000 Shares. Mr. Zongjian Cai was also interested in all the issued share capital of Duke Online and he is the sole director of Duke Online. Therefore, he was deemed to be interested in 193,752,027 Shares held by Duke Online under the SFO. Mr. Zongjian Cai was deemed to be interested in all Shares held by Ms. Kai Chen under the SFO. On 21 May 2021, 38,444,306 Performance-based Awarded Shares were awarded to Mr. Zongjian Cai under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 7,688,862, 7,688,861, 7,688,861 and 7,688,861 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 312,000 awarded Shares were granted to Mr. Zongjian Cai under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Zongjian Cai will be beneficially interested in 8,000,861 Shares.



## OTHER INFORMATION

Mr. Yuan Xu was the beneficial owner of 14,855,959 Shares. On 21 May 2021, 7,163,535 Performance-based Awarded Shares were awarded to Mr. Yuan Xu under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 1,432,707 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 243,000 awarded Shares were granted to Mr. Yuan Xu under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Yuan Xu will be beneficially interested in 1,675,707 Shares.

Mr. Hong Zhang was the beneficial owner of 11,659,835 Shares. On 21 May 2021, 6,447,181 Performance-based Awarded Shares were awarded to Mr. Hong Zhang under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 1,289,437, 1,289,436, 1,289,436 and 1,289,436 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 210,000 awarded Shares were granted to Mr. Hong Zhang under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Hong Zhang will be beneficially interested in 1,499,436 Shares.

Ms. Kai Chen was the beneficial owner of 17,876,852 Shares. She was also deemed to be interested in all Shares held by Mr. Zongjian Cai under the SFO. On 28 May 2025, 14,500 awarded Shares were granted to Ms. Kai Chen under the Share Award Scheme, among which 7,250 awarded Shares will be vested on 28 May 2026 and the remaining 7,250 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Ms. Kai Chen will be beneficially interested in 14,500 Shares.

Mr. Zhixiang Chen was the beneficial owner of 16,000,000 Shares. On 28 May 2025, 20,600 awarded Shares were granted to Mr. Zhixiang Chen under the Share Award Scheme, among which 10,300 awarded Shares will be vested on 28 May 2026 and the remaining 10,300 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Mr. Zhixiang Chen will be beneficially interested in 20,600 Shares.

- (3) Ms. Jessie Shen was the beneficial owner of 4,563,000 Shares. On 21 May 2021, 5,253,259 Performance-based Awarded Shares were awarded to Ms. Jessie Shen under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 1,050,652 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 228,000 awarded Shares were granted to Ms. Jessie Shen under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Ms. Jessie Shen will be beneficially interested in 1,278,651 Shares.
- (4) Mr. Feng Chen was the beneficial owner of 14,031,000 Shares. On 21 May 2021, 2,865,414 Performance-based Awarded Shares were awarded to Mr. Feng Chen under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 573,083 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 166,000 awarded Shares were granted to Mr. Feng Chen under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Feng Chen will be beneficially interested in 739,082 Shares.

## OTHER INFORMATION

- (5) Mr. Yuan Chi was the beneficial owner of 691,000 Shares. Mr. Yuan Chi was also interested in all the issued share capital of Edmond Online and he is one of the directors of Edmond Online. Therefore, he was deemed to be interested in 153,434,000 Shares held by Edmond Online under the SFO. On 28 May 2025, 62,000 awarded Shares were granted to Mr. Yuan Chi under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Yuan Chi will be beneficially interested in 62,000 Shares.
- (6) Mr. Kam Wai Man was the beneficial owner of 108,500 Shares. On 28 May 2025, 30,000 awarded Shares were granted to Mr. Kam Wai Man under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Kam Wai Man will be beneficially interested in 30,000 Shares.
- (7) Ms. Feng Li was the beneficial owner of 19,500 Shares. On 28 May 2025, 20,000 awarded Shares were granted to Ms. Feng Li under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Ms. Feng Li will be beneficially interested in 20,000 Shares.
- (8) On 28 May 2025, 30,000 awarded Shares were granted to Mr. Tan Hup Foi under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Tan Hup Foi will be beneficially interested in 30,000 Shares.
- (9) Dr. Horn Kee Leong was the beneficial owner of 240,000 Shares.
- (10) As at 30 June 2025, Mr. Yuan Xu does not have any interests in the most senior class of shares of UGen World Inc. Mr. Yuan Xu is the holder of US\$100,000 convertible promissory note of UGen World Inc. which can be converted into such number of the most senior class or series of equity securities of UGen World Inc. or such class or series of equity securities of UGen World Inc. existing immediately prior to such conversion as elected by him in his sole discretion pursuant to the terms of the relevant convertible promissory note.
- (11) As at 30 June 2025, Mr. Hong Zhang does not have any interests in the most senior class of shares of UGen World Inc. Mr. Hong Zhang is the holder of US\$60,000 convertible promissory note of UGen World Inc. which can be converted into such number of the most senior class or series of equity securities of UGen World Inc. or such class or series of equity securities of UGen World Inc. existing immediately prior to such conversion as elected by him in his sole discretion pursuant to the terms of the relevant convertible promissory note.

Save as disclosed above, as of 30 June 2025, none of the Directors and chief executive of the Company was, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to Listing Rules.



## OTHER INFORMATION

### (b) Substantial shareholders' and other persons' interests and short positions in Shares and underlying shares

So far as were known to the Directors or chief executive of the Company, as at 30 June 2025, the following persons had interests and/or short positions of 5% or more of the Shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
Duke Online (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Mr. Zongjian Cai (Notes 1, 2)	Beneficial owner, interest in a controlled corporation, spouse interest, interests held jointly with another person	266,101,777	22.64%
Mr. Yuan Xu (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Mr. Hong Zhang (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Ms. Kai Chen (Notes 1, 2)	Beneficial owner, spouse interest, interests held jointly with another person	266,101,777	22.64%
Mr. Zhixiang Chen (Notes 1, 2)	Beneficial owner, interests held jointly with another person	266,101,777	22.64%
Edmond Online (Note 3)	Beneficial owner	153,434,000	13.05%
Mr. Yuan Chi (Note 3)	Beneficial owner, interest in a controlled corporation	154,187,000	13.12%

## OTHER INFORMATION

### Notes:

- (1) Pursuant to an acting in concert agreement dated 16 September 2013, as amended by an amendment dated 18 October 2016, Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen (spouse of Mr. Zongjian Cai) and Mr. Zhixiang Chen agreed that they would act in concert with each other with respect to material matters relating to the Company's operation. Each of Mr. Zongjian Cai, Duke Online, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Kai Chen and Mr. Zhixiang Chen is therefore deemed to be interested in the Shares held by one another under the SFO.
- (2) Mr. Zongjian Cai was the beneficial owner of 746,000 Shares. Mr. Zongjian Cai was also interested in all the issued share capital of Duke Online and he is the sole director of Duke Online. Therefore, he was deemed to be interested in 193,752,027 Shares held by Duke Online under the SFO. Mr. Zongjian Cai was deemed to be interested in all Shares held by Ms. Kai Chen under the SFO. On 21 May 2021, 38,444,306 Performance-based Awarded Shares were awarded to Mr. Zongjian Cai under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 7,688,862, 7,688,861, 7,688,861 and 7,688,861 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 312,000 awarded Shares were granted to Mr. Zongjian Cai under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Zongjian Cai will be beneficially interested in 8,000,861 Shares.

Mr. Yuan Xu was the beneficial owner of 14,855,959 Shares. On 21 May 2021, 7,163,535 Performance-based Awarded Shares were awarded to Mr. Yuan Xu under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, each of 1,432,707 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 243,000 awarded Shares were granted to Mr. Yuan Xu under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Yuan Xu will be beneficially interested in 1,675,707 Shares.

Mr. Hong Zhang was the beneficial owner of 11,659,835 Shares. On 21 May 2021, 6,447,181 Performance-based Awarded Shares were awarded to Mr. Hong Zhang under the Performance-based Share Award Scheme. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant. On 27 April 2022, 27 April 2023, 26 April 2024 and 25 April 2025, 1,289,437, 1,289,436, 1,289,436 and 1,289,436 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. On 28 May 2025, 210,000 awarded Shares were granted to Mr. Hong Zhang under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares and Performance-based Awarded Shares, Mr. Hong Zhang will be beneficially interested in 1,499,436 Shares.

Ms. Kai Chen was the beneficial owner of 17,876,852 Shares. She was also deemed to be interested in all Shares held by Mr. Zongjian Cai under the SFO. On 28 May 2025, 14,500 awarded Shares were granted to Ms. Kai Chen under the Share Award Scheme, among which 7,250 awarded Shares will be vested on 28 May 2026 and the remaining 7,250 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Ms. Kai Chen will be beneficially interested in 14,500 Shares.



## OTHER INFORMATION

Mr. Zhixiang Chen was the beneficial owner of 16,000,000 Shares. On 28 May 2025, 20,600 awarded Shares were granted to Mr. Zhixiang Chen under the Share Award Scheme, among which 10,300 awarded Shares will be vested on 28 May 2026 and the remaining 10,300 awarded Shares will be vested on 28 May 2027. Upon the full vest of such awarded Shares, Mr. Zhixiang Chen will be beneficially interested in 20,600 Shares.

- (3) Mr. Yuan Chi was the beneficial owner of 691,000 Shares. Mr. Yuan Chi was also interested in all the issued share capital of Edmond Online and he is one of the directors of Edmond Online. Therefore, he was deemed to be interested in 153,434,000 Shares held by Edmond Online under the SFO. On 28 May 2025, 62,000 awarded Shares were granted to Mr. Yuan Chi under the Share Award Scheme and such awarded Shares will be vested on the date of the annual general meeting of the Company to be convened in 2026. Upon the full vest of such awarded Shares, Mr. Yuan Chi will be beneficially interested in 62,000 Shares.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other persons, other than the Directors and chief executive of the Company, whose interests are set out in the section headed “Directors’ and chief executive’s interests and short positions in Shares, underlying shares and debentures” above in this report, had interests or short positions in the Shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## SHARE SCHEMES

### 1. Share Option Scheme (Terminated on 29 June 2023)

The Company has adopted the Share Option Scheme on 16 September 2013 for the purpose of giving the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible persons shall be (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including a non-executive director and/or an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; (g) an associate of any of the persons referred to in paragraphs (a) to (c) above; and (h) who, in the sole opinion of the Board, will contribute to or have contributed to the Group.

## OTHER INFORMATION

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date, i.e., 130,973,709 Shares. No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date (i.e. 18 October 2013) and would have been expired on 17 October 2023 (or such earlier date as resolved by shareholders in general meeting), after which no further options would have been granted or offered. In view of the amendments to the Listing Rules, the Share Option Scheme has been terminated with effect from 29 June 2023 (the "Termination Date") by way of an ordinary resolution at the 2023 AGM. For further details, please refer to the announcement and circular of the Company dated 28 March 2023 and 28 April 2023, respectively. Since the Termination Date, no further options has been granted under the Share Option Scheme, and there were 4,635,000 outstanding share options granted but not yet exercised under the Share Option Scheme as at the Termination Date. As at the date of this report, the total number of shares which may be issued upon exercise of all outstanding share options granted but not yet exercised under the Share Option Scheme was 582,000, representing approximately 0.05% of the issued Shares (excluding Treasury Shares).



## OTHER INFORMATION

Pursuant to Rule 17.07 of the Listing Rules, particulars and movements of share options under the Share Option Scheme during the Period by category of grantees were as follows:

Category of grantees	Date of grant	Number of share options						
		Exercise price per Share	Outstanding	Granted during the Period	Exercised during the Period <sup>(Note)</sup>	Lapsed/	Cancelled during the Period	Outstanding
			as at 31 December 2024			forfeited during the Period		as at 30 June 2025
<b>Directors</b>								
Mr. Yuan Xu	23 March 2015	HK\$3.90	613,000	–	–	613,000	–	–
Mr. Hong Zhang	23 March 2015	HK\$3.90	605,000	–	–	605,000	–	–
Ms. Jessie Shen	23 March 2015	HK\$3.90	141,000	–	–	141,000	–	–
Mr. Feng Chen	23 March 2015	HK\$3.90	300,000	–	300,000	–	–	–
<b>Ex-Directors</b>								
Mr. Dajian Yu	23 March 2015	HK\$3.90	150,000	–	150,000	–	–	–
Ms. Zhao Lu	23 March 2015	HK\$3.90	150,000	–	150,000	–	–	–
<b>Director's associate</b>								
Ms. Meijia Chen (cousin of Mr. Yuan Xu)	23 March 2015	HK\$3.90	553,000	–	–	553,000	–	–
<b>Employees</b>								
(Total no.: 12)	23 March 2015	HK\$3.90	999,000	–	649,000	350,000	–	–
	19 August 2019	HK\$5.75	290,000	–	–	–	–	290,000
	6 May 2020	HK\$4.91	312,000	–	–	–	–	312,000
<b>Total</b>			<b>4,113,000</b>	<b>–</b>	<b>1,249,000</b>	<b>2,262,000</b>	<b>–</b>	<b>602,000</b>

Note: The weighted average closing price of the Shares immediately before the dates on which the share options under the Share Option Scheme were exercised during the six months ended 30 June 2025 was HK\$4.39 (for the year ended 31 December 2024 : HK\$3.98).

## OTHER INFORMATION

### *Particulars of Share Options Granted*

#### **23 March 2015**

Share options granted on 23 March 2015 can be exercised from a period commencing from the relevant vesting dates and ending 10 years after the date of grant.

Certain number of share options were granted to certain non-executive Directors and all independent non-executive Directors, of which one-third of the total number of share options were vested on each of the date of the annual general meeting in 2016, 2017 and 2018.

The remaining share options were vested in the other eligible grantees from 23 March 2016 to 23 March 2019, of which 25% of the total number of the share options granted were vested on each anniversary date of grant.

#### **19 August 2019**

Share options granted on 19 August 2019 were vested in eligible grantees from 19 August 2020 to 19 August 2023. During the vesting period, 25% of the total number of share options granted were vested on each anniversary date of grant. The grantees can exercise the share options commencing from the relevant vesting date and ending 10 years after the date of grant.

#### **6 May 2020**

Share options granted on 6 May 2020 were vested in eligible grantees from 6 May 2021 to 6 May 2024. During the vesting period, 25% of the total number of share options granted were vested on each anniversary date of grant. The grantees can exercise the share options commencing from the relevant vesting date and ending 10 years after the date of grant.

Save as disclosed above, during the Period, no other share options under the Share Option Scheme have been granted, exercised, lapsed or cancelled.



## OTHER INFORMATION

### 2. Share Award Scheme (Funded by Existing Shares Only)

The Share Award Scheme of the Company was adopted by the Board on 24 December 2013 and amended on 19 August 2021 and 28 March 2023 (effective date: 28 June 2023). The purpose of the Share Award Scheme is to recognise the contributions by certain selected grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Board may, from time to time, at their absolute discretion select any eligible person, who shall be any employee, director or consultant of any member of the Group (excluding any excluded grantee) for participation in the Share Award Scheme as a selected grantee. However, until so selected, no eligible person shall be entitled to participate in the Share Award Scheme. The awarded shares (where the Board has determined such number pursuant to the terms of the Share Award Scheme) shall be acquired by Computershare Hong Kong Trustees Limited, as the trustee (the “Trustee”) from the open market by utilising the Company’s resources provided to the Trustee, subject to the absolute discretion of the Board, and no Shares will be issued under the Share Award Scheme. The Company will contribute or grant cash to the Trustee to enable the Share Award Scheme to operate with necessary funds to purchase Shares. The vesting period shall, in any event, be no longer than 10 years.

It is intended that the awarded shares under the Share Award Scheme will be offered to the selected grantees to take up the relevant awarded shares for no consideration subject to the compliance with the relevant laws and regulations, and certain conditions to be decided by the Board at the time of grant of the awarded shares under the Share Award Scheme. Awarded shares shall be deemed to be accepted by the selected grantee when the Company receives a duplicate of the letter of grant signed by such selected grantee within 28 days after the granting. No amount is payable on acceptance of the awarded shares.

Shares held by the Trustee upon the trust and which are referable to a selected grantee shall vest to that selected grantee in accordance with a vesting schedule determined at the discretion of the Board, provided that the selected grantee remains at all times after the reference date (the date of final approval by the Board of the total number of shares to be awarded to the selected grantees in a single occasion pursuant to the Share Award Scheme or the date of an award by the Trustee pursuant to the trust deed) and on each relevant vesting date(s) an eligible person. The Board may also, in its absolute discretion, determine the performance, operating and financial targets and other criteria, if any, to be satisfied by the selected grantee before the awarded shares can vest.

## OTHER INFORMATION

The Board shall not make any further award which will result in the number of shares awarded by the Board under the Share Award Scheme in excess of 10% of the issued share capital of the Company as at 24 December 2013. In any event, the unvested shares held by the Trustee at any time shall be less than 5% of the issued share capital of the Company. The Trustee shall not exercise any voting right attached in respect of any Shares held by it under the trust. The maximum number of Shares to all Controlling Shareholders which may be subject to an award or awards in any of the 12 months shall not in aggregate exceed 2% of the issued share capital of the Company from time to time. The maximum number of Shares which may be subject to an award or awards to a participant at any time under the Share Award Scheme shall not in aggregate exceed 1% of the issued share capital of the Company as at 24 December 2013.

Subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a renewal term of 10 years commencing on the effective date of the last amendment (i.e. 28 June 2023). As at 30 June 2025, the remaining life of the Share Award Scheme is approximately 8 years.

Details of the Share Award Scheme are set out in the Company's announcements dated 24 December 2013, 19 August 2021 and 28 March 2023.

Particulars and movements of the awarded shares under the Share Award Scheme during the Period were as follows:

Category of grantees	Date of grant	Number of awarded shares					Outstanding as at 30 June 2025
		Outstanding	Granted during the Period (Note 3)	Vested during the Period (Note 2)	Lapsed/ forfeited during the Period (Note 1)	Cancelled during the Period	
		as at					
		31 December					
		2024					
<b>Directors</b>							
Mr. Zongjian Cai	28 May 2025	–	312,000	–	–	–	312,000
Mr. Yuan Xu	28 May 2025	–	243,000	–	–	–	243,000
Mr. Hong Zhang	28 May 2025	–	210,000	–	–	–	210,000
Ms. Jessie Shen	28 May 2025	–	228,000	–	–	–	228,000
Mr. Feng Chen	28 May 2025	–	166,000	–	–	–	166,000
Mr. Yuan Chi	29 May 2024	61,500	–	61,500	–	–	–
	28 May 2025	–	62,000	–	–	–	62,000



## OTHER INFORMATION

Category of grantees	Date of grant	Number of awarded shares					Outstanding as at 30 June 2025
		Outstanding as at 31 December 2024	Granted during the Period (Note 3)	Vested during the Period (Note 2)	Lapsed/ forfeited during the Period (Note 1)	Cancelled during the Period	
Mr. Kam Wai Man	29 May 2024	29,250	–	29,250	–	–	–
	28 May 2025	–	30,000	–	–	–	30,000
Ms. Feng Li	29 May 2024	19,500	–	19,500	–	–	–
	28 May 2025	–	20,000	–	–	–	20,000
Mr. Tan Hup Foi (appointed on 28 May 2025)	28 May 2025	–	30,000	–	–	–	30,000
Dr. Horn Kee Leong (resigned on 28 May 2025)	29 May 2024	54,000	–	54,000	–	–	–
<b>Substantial Shareholders</b>							
Ms. Kai Chen (spouse of Mr. Zongjian Cai)	28 May 2025	–	14,500	–	–	–	14,500
Mr. Zhixiang Chen	28 May 2025	–	20,600	–	–	–	20,600
<b>Director's associate</b>							
Ms. Meijia Chen (cousin of Mr. Yuan Xu)	28 May 2025	–	78,400	–	–	–	78,400
<b>Other connected persons</b>							
	11 April 2022	141,818	–	70,906	–	–	70,912
(Total no.: 7) (Note 4)	10 April 2024	26,000	–	13,000	–	–	13,000
	28 May 2025	–	170,200	–	–	–	170,200

## OTHER INFORMATION

Category of grantees	Date of grant	Number of awarded shares					Outstanding as at 30 June 2025
		Outstanding as at 31 December 2024	Granted during the Period (Note 3)	Vested during the Period (Note 2)	Lapsed/ forfeited during the Period (Note 1)	Cancelled during the Period	
Employees (Total no.: 577)	11 March 2021	191,487	–	191,487	–	–	–
	6 May 2021	16,997	–	16,997	–	–	–
	19 August 2021	40,000	–	–	–	–	40,000
	5 November 2021	67,500	–	–	–	–	67,500
	11 April 2022	1,089,552	–	544,765	20,300	–	524,487
	7 April 2023	306,268	–	137,086	–	–	169,182
	6 September 2023	2,196,728	–	–	5,000	–	2,191,728
	29 November 2023	221,438	–	–	–	–	221,438
	10 April 2024	897,600	–	441,800	27,000	–	428,800
	11 September 2024	411,812	–	–	–	–	411,812
	22 December 2024	782,839	–	–	–	–	782,839
	28 May 2025	–	5,288,500	–	22,100	–	5,266,400
<b>Total</b>		<b><u>6,554,289</u></b>	<b><u>6,873,200</u></b>	<b><u>1,580,291</u></b>	<b><u>74,400</u></b>	<b><u>–</u></b>	<b><u>11,772,798</u></b>

- Notes:
1. The lapse of awarded shares during the Period was due to the termination of employment of certain grantees.
  2. The weighted average closing price of the Shares immediately before the dates on which the awarded shares granted under the Share Award Scheme were vested was HK\$3.35 (for the year ended 31 December 2024: HK\$3.44) and the purchase price of the awarded shares granted under the Share Award Scheme were vested was at nil consideration.
  3. The awarded shares granted under the Share Award Scheme during the six months ended 30 June 2025 were not conditional upon satisfaction of performance target. There was no performance target set as a prerequisite for the grant, which aligns with the purpose of the Share Award Scheme in recognising past contributions to the Group as well as retaining and attracting personnel for the development of the Group.
  4. Other connected persons are directors or substantial shareholders of the subsidiaries of the Company and their respective associates, who are also employees of the Group.



## OTHER INFORMATION

### *Particulars of Awarded Shares Granted*

#### **11 March 2021**

On 11 March 2021, the Board granted a total of 1,117,890 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees pursuant to the Share Award Scheme at nil consideration. Such awarded shares were vested in eligible grantees from 11 March 2022 to 11 March 2025. During the vesting period, 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

#### **6 May 2021**

On 6 May 2021, the Board granted a total of 3,192,565 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees (including all Directors) pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were granted to the Directors, of which 50% of the total number of the awarded shares were vested on each of the date of the annual general meeting in 2022 and 2023. Certain number of awarded shares were vested in certain eligible grantees from 6 May 2022 to 6 May 2023, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 6 May 2022 to 6 May 2025, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

#### **19 August 2021**

On 19 August 2021, the Board granted a total of 12,516,650 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees (including connected persons) pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were vested in certain eligible grantees (including Ms. Kai Chen, Ms. Meijia Chen, Ms. Zhiying Chen and other connected persons) from 19 August 2022 to 19 August 2023, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 19 August 2022 to 19 August 2025, during which 25% of the total number of awarded shares granted were vested on each anniversary date of grant.

#### **5 November 2021**

On 5 November 2021, the Board granted a total of 1,100,000 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain eligible grantees pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares were vested in certain eligible grantees from 5 November 2022 to 5 November 2023, during which 50% of the total number of the awarded shares granted were vested on each anniversary date of grant. The remaining awarded shares would be vested in certain eligible grantees from 5 November 2022 to 5 November 2025, during which 25% of the total number of awarded shares granted would be vested on each anniversary date of grant.

## OTHER INFORMATION

### 11 April 2022

On 11 April 2022, the Board granted a total of 3,498,580 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to connected persons and certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares would be vested in certain eligible grantees (including Mr. Shuo Wang, Mr. Chengfeng Luo, Mr. Xiandong Liu and Mr. Richard Chua Choon Kiat) from 11 April 2023 to 11 April 2026, during which 25% of the total number of the awarded shares granted would be vested on each anniversary date of grant. The remaining awarded shares were vested in certain eligible grantees from 11 April 2023 to 11 April 2024, during which 50% of the total number of awarded shares granted were vested on each anniversary date of grant.

### 7 April 2023

On 7 April 2023, the Board granted a total of 464,354 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares would be vested in certain eligible grantees from 7 April 2024 to 7 April 2027, during which 25% of the total number of the awarded shares granted would be vested on each anniversary date of grant. Certain number of awarded shares were vested in certain eligible grantees from 7 April 2024 to 7 April 2025, during which 50% of the total number of awarded shares granted were vested on each anniversary date of grant.

### 6 September 2023

On 6 September 2023, the Board granted a total of 4,397,206 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Certain number of awarded shares would be vested in certain eligible grantees from 6 September 2024 to 6 September 2027, during which 25% of the total number of the awarded shares granted would be vested on each anniversary date of grant. Certain number of awarded shares would be vested in certain eligible grantees from 6 September 2024 to 6 September 2025, during which 50% of the total number of the awarded shares granted would be vested on each anniversary date of grant.

### 29 November 2023

On 29 November 2023, the Board granted a total of 442,873 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares would be vested in the eligible grantees from 29 November 2024 to 29 November 2025. During the vesting period, 50% of the total number of the awarded shares granted would be vested on each anniversary date of grant.



## OTHER INFORMATION

### 10 April 2024

On 10 April 2024, the Board granted a total of 965,600 awarded Shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to a connected person and also an employee of the Group (namely Mr. Deyang Zheng, a substantial Shareholder of our Subsidiaries), and certain other employees of the Group pursuant to the Share Award Scheme at nil consideration. Each of 50% of the total number of awarded Shares granted would be vested on 10 April 2025 and 10 April 2026, respectively. For more details, please refer to the announcement of the Company dated 10 April 2024.

### 29 May 2024

On 29 May 2024, the Board granted a total of 338,250 awarded Shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to five Directors, namely, Mr. Yuan Chi, Dr. Horn Kee Leong (resigned on 28 May 2025), Mr. Kam Wai Man, Ms. Feng Li (appointed on 29 May 2024) and Ms. Zhao Lu (resigned on 29 May 2024) pursuant to the Share Award Scheme at nil consideration. Such awarded shares were vested in accordance with the vesting dates and percentages as stated in the announcement of the Company dated 29 May 2024. For more details, please refer to the announcement of the Company dated 29 May 2024.

### 11 September 2024

On 11 September 2024, the Board granted a total of 411,812 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares will be vested in the eligible grantees from 11 September 2025 to 11 September 2026. During the vesting period, 50% of the total number of the awarded shares granted will be vested on each anniversary date of grant.

### 22 December 2024

On 22 December 2024, the Board granted a total of 782,839 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to certain employees of the Group pursuant to the Share Award Scheme at nil consideration. Such awarded shares will be vested in the eligible grantees from 22 December 2025 to 22 December 2026. During the vesting period, 50% of the total number of the awarded shares granted will be vested on each anniversary date of grant.

## OTHER INFORMATION

During the Period, the Company granted the awarded shares as follows:

### 28 May 2025

On 28 May 2025, the Board granted a total of 6,873,200 awarded shares, which have been acquired by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to (i) nine Directors, namely, Mr. Zongjian Cai, Mr. Yuan Xu, Mr. Hong Zhang, Ms. Jessie Shen, Mr. Feng Chen, Mr. Yuan Chi, Mr. Kam Wai Man, Ms. Feng Li and Mr. Tan Hup Foi (appointed on 28 May 2025); and (ii) certain other connected persons and/or employees of the Group pursuant to the Share Award Scheme at nil consideration. The closing price immediately before the date on which the awarded shares were granted on 28 May 2025 was HK\$3.55 and the 6,873,200 awarded shares represented a value of approximately HK\$24.33 million, taking into account of the closing price of HK\$3.54 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the awarded shares. The fair values of the awarded shares granted to employees are recognised as employee costs with corresponding increases in the capital reserve in equity. The fair value of the awarded shares was calculated based on the market price of the Shares on the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares. The relevant accounting standard and policy are in accordance with IFRS Accounting Standards. Such awarded shares will be vested in accordance with the vesting dates and percentages as stated in the announcement of the Company dated 28 May 2025. For more details, please refer to the announcement of the Company dated 28 May 2025.

Save as disclosed above, during the Period, no other awarded shares were granted, vested, lapsed or cancelled under the Share Award Scheme.

During the Period and up to the date of this report, the Trustee, pursuant to the terms of the trust deed constituting the Share Award Scheme, purchased on the market a total of 698,000 Shares at an average price per share of HK\$3.8601 with a total consideration of HK\$2,694,370.97.

### 3. Performance-based Share Award Scheme

The Performance-based Share Award Scheme of the Company was adopted by the Board on 21 May 2021. The purpose of the Performance-based Share Award Scheme is to recognise the contributions by certain eligible persons, particularly the Directors, senior management and key personnel of certain divisions of the Group.

The Board may, at its absolute discretion, determine the vesting schedule and impose certain vesting conditions, such as performance index to the grant of Performance-based Awarded Shares which shall incentivise the selected grantees in achieving targeted performance indicators for the continuing development and growth of the Group, and to retain suitable personnel for further development of the Group. The Board may, from time to time, at its absolute discretion select any eligible person (excluding any excluded grantee) for participation in the Performance-based Share Award Scheme as a selected grantee. However, until so selected, no eligible person shall be entitled to participate in the Performance-based Share Award Scheme. The Performance-based Share Award Scheme shall be



## OTHER INFORMATION

either (i) allotted and issued by the Company under general mandates or specific mandates granted to the Board by the Shareholders in the general meetings of the Company from time to time; (ii) allotted and issued by the Company under specific mandates granted to the Board by the Shareholders in the general meetings of the Company where (a) any grant of the performance-based awarded shares would cause the Company to issue and allot Shares in excess of the permitted amount in the general mandate available from time to time; or (b) any award of the Performance-based Awarded Shares by the Board to a selected grantee is made to a connected person of the Company; or (iii) acquired by the trustee from the open market by utilising the Company's resources provided to the trustee, subject to the absolute discretion of the Board.

It is intended that the Performance-based Awarded Shares under the Performance-based Share Award Scheme will be offered to the selected grantees to take up the relevant Performance-based Awarded Shares for no consideration subject to the compliance with the relevant laws and regulations, and certain conditions to be decided by the Board at the time of grant of the Performance-based Awarded Shares under the Performance-based Share Award Scheme. The Performance-based Awarded Shares shall be deemed to be accepted by the selected grantee when the Company receives a duplicate of the letter of grant signed by such selected grantee within 28 days after the granting. No amount is payable on acceptance of the Performance-based Awarded Shares.

No Shares shall be subscribed for and/or purchased pursuant to the Performance-based Share Award Scheme nor any amounts paid to the trustee for the purpose of making such a subscription and/or purchase, if as a result of such subscription and/or purchase, the number of Shares administered under the Performance-based Share Award Scheme would represent more than 6% of the number of the issued Shares as at 21 May 2021 (subject to adjustment in the event of sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Performance-based Share Award Scheme). There is no provision in respect of the maximum entitlement of each participant under the Performance-based Share Award Scheme.

Subject to any early termination as may be determined by the Board pursuant to the terms of the Performance-based Share Award Scheme, the Performance-based Share Award Scheme shall be valid and effective for a term of five (5) years commencing on 21 May 2021. As at 30 June 2025, the remaining life of the Performance-based Share Award Scheme is approximately 1 year.

On 21 May 2021, the Board resolved to conditionally grant up to 71,635,355 Performance-based Awarded Shares, representing approximately 6% of the total issued share capital of the Company as at 21 May 2021 and being the maximum number of Performance-based Awarded Shares that can be granted under the Performance-based Share Award Scheme, to the grantees as set out below. On 20 July 2021, an ordinary resolution was passed by the Shareholders to approve such grant.

## OTHER INFORMATION

Particulars and movements of the Performance-based Awarded Shares under the Performance-based Share Award Scheme during the Period were as follows:

Category of grantees	Number of Performance-Based Awarded Shares				
	Granted as approved by the Shareholders on 20 July 2021	Outstanding as at 31 December 2024	Vested during the Period	Lapsed/ forfeited during the Period	Outstanding as at 30 June 2025
<b>Directors</b>					
Mr. Zongjian Cai	38,444,306	15,377,722	–	7,688,861	7,688,861
Mr. Yuan Xu	7,163,535	2,865,414	–	1,432,707	1,432,707
Mr. Hong Zhang	6,447,181	2,578,872	–	1,289,436	1,289,436
Ms. Jessie Shen	5,253,259	2,101,303	–	1,050,652	1,050,651
Mr. Feng Chen	2,865,414	1,146,165	–	573,083	573,082
<b>Other connected persons of the Company</b>					
Ms. Meijia Chen (director of subsidiaries of the Company and senior vice president of the Group)	7,163,536	2,865,414	–	1,432,707	1,432,707
Mr. Hanling Fang (director of subsidiaries of the Company and senior vice president of the Group)	716,354	286,542	–	143,271	143,271
Mr. Shuo Wang (director of subsidiaries of the Company and vice president of the Group)	716,354	286,541	–	143,271	143,270
Mr. Chengfeng Luo (director of subsidiaries of the Company and senior director of research and development)	716,354	286,541	–	143,271	143,270
<b>Employees (Total No.: 3)</b>	<u>2,149,062</u>	<u>859,623</u>	<u>–</u>	<u>429,813</u>	<u>429,810</u>
<b>Total</b>	<u><b>71,635,355</b></u>	<u><b>28,654,137</b></u>	<u><b>–</b></u>	<u><b>14,327,072</b></u>	<u><b>14,327,065</b></u>



## OTHER INFORMATION

Subject to the terms and conditions of the Performance-based Share Award Scheme and the satisfaction of the vesting conditions, an aggregate of up to 71,635,355 Performance-based Awarded Shares will be vested in five tranches, each to be vested to the grantees at nil consideration as soon as reasonably practicable after the end of each of the relevant measurement period (being the trading days within the thirty calendar days immediately after the date on which the annual results for the relevant financial year are published by the Company on the Stock Exchange) for the relevant financial year as set out below and upon determination by the Board (excluding Directors who are grantees) as to whether the vesting conditions have been satisfied for each such tranche and the actual number of Performance-based Awarded Shares to be vested under each such tranche.

Financial year	Percentage of Performance-based Awarded Shares to vest
Financial year ended 31 December 2021	20%
Financial year ended 31 December 2022	20%
Financial year ended 31 December 2023	20%
Financial year ended 31 December 2024	20%
Financial year ending 31 December 2025	20%

On 27 April 2022, 27 April 2023, 26 April 2024, and 25 April 2025, 14,327,074, 14,327,072, 14,327,072 and 14,327,072 Performance-based Awarded Shares have lapsed, respectively, due to the failure in satisfying all the vesting conditions. Save as disclosed above, during the Period, no Performance-based Awarded Shares were vested, lapsed or cancelled under the Performance-based Share Award Scheme. Details of the Performance-based Share Award Scheme are set out in the Company's announcement dated 21 May 2021 and circular dated 28 June 2021.

As at the date of this report, the total number of Shares available for issue under the Performance-based Share Award Scheme is 14,327,065, which represents approximately 1.24% of the issued Shares (excluding Treasury Shares).

## OTHER INFORMATION

### 4. Share Incentive Scheme

The Share Incentive Scheme was adopted by the Company on 29 June 2023 by way of an ordinary resolution at the 2023 AGM and amended by the Board on 26 March 2025 to the effect that the Company may satisfy the grant of the Awards under the Share Incentive Scheme using Treasury Shares at the Board's discretion. The purpose of the Share Incentive Scheme is to motivate eligible persons (including directors and employees of the Group, related entity participants and service providers) to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons.

The Board may, in its absolute discretion, select any eligible persons for offering the grant of any award. The Board shall, in its absolute discretion and at any time prior to the relevant offer date, determine whether the relevant award shall take the form of an option and/or a restricted share. To the extent permitted by the Listing Rules and other applicable laws, options which have been exercised or vesting of a restricted share under an award will be satisfied by the allotment and issue of new Shares and/or transfer of Treasury Shares by the Company. The Company may appoint a trustee to assist with the administration, exercise and vesting of awards granted under the Share Incentive Scheme. Save for the specific circumstances as prescribed under the Share Incentive Scheme, the vesting period for options and/or restricted shares under the Share Incentive Scheme shall not be less than 12 months from the offer date.

The maximum number of Shares which may be issued in respect of all awards to be granted under the Share Incentive Scheme and any other scheme(s) of the Company shall not in aggregate exceed 10% of the total issued Shares as at the date of the 2023 AGM, i.e., 119,800,659 Shares. Unless otherwise approved by Shareholders in general meeting in accordance with the Listing Rules, no awards may be granted to any eligible person of the Share Incentive Scheme such that the total number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the Share Incentive Scheme and any other share schemes of the Company in any 12-month period up to and including the date of the latest grant exceeds 1% of the Company's issued share capital on the date of the latest grant. In particular, (i) unless otherwise approved by Shareholders in general meeting in accordance with the Listing Rules, no awards (excluding grant of options) may be granted to any Director (other than an independent non-executive Director), chief executive of the Company or any of their respective associates such that the total number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the Share Incentive Scheme and any other share schemes of the Company in any 12-month period up to and including the date of the latest grant exceeds 0.1% of the Company's Shares in issue (excluding Treasury Shares) on the date of the latest grant; and (ii) unless otherwise approved by Shareholders in general meeting in accordance with the Listing Rules, no awards (i.e. including grant of options and restricted shares) may be granted to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates such that the total number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the Share Incentive Scheme and any other shares schemes of the Company in the 12-month period up to and including the date of the latest grant exceeds 0.1% of the Company's Shares in issue (excluding Treasury Shares) on the date of the latest grant. As at the date of this report, the total number of Shares available for issue under the Share Incentive Scheme is 119,800,659, representing approximately 10.35% of the issued Shares (excluding Treasury Shares).



## OTHER INFORMATION

An option to be granted under the Share Incentive Scheme may be exercised in accordance with the terms of the Share Incentive Scheme at any time during a period as determined by the Board and not exceeding 10 years from the offer date. The grantees accepting any grant of awards under the Share Incentive Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date.

The Share Incentive Scheme shall be valid and effective for a period of 10 years from 29 June 2023 and will expire on 28 June 2033 (or such earlier date as resolved by shareholders in general meeting), after which no further awards will be granted or offered. As at 30 June 2025, the remaining life of the Share Incentive Scheme is approximately 8 years. During the Period, no awards under the Share Incentive Scheme had been granted, exercised, vested, outstanding, lapsed or cancelled.

The aggregate number of options and awards available for grant involving the allotment and issue of new Shares under the Performance-based Share Award Scheme and the Share Incentive Scheme as at 1 January 2025 and 30 June 2025 is set out below:

	As at 30 June 2025	As at 1 January 2025
Number of awards available for grant under the Performance-based Share Award Scheme	—	—
Number of awards available for grant under the Share Incentive Scheme	119,800,659 <sup>1</sup>	119,800,659
<b>Total number of options and awards available for grant</b>	<b>119,800,659</b>	<b>119,800,659</b>

1. The number of awards available for grant to service providers under the Share Incentive Scheme is 11,980,065.

## OTHER INFORMATION

The aggregate number of awards available for grant involving of existing Shares under the Share Award Scheme as at 1 January 2025 and 30 June 2025 is set out below:

	As at 30 June 2025	As at 1 January 2025
Number of awards available for grant under the Share Award Scheme	<u>75,690,580<sup>2</sup></u>	<u>82,489,380</u>

- On 28 March 2023, the Board resolved to delete the provisions of allowing the Board to allot and issue Shares by general mandate granted to the Board to satisfy the issue of awarded shares upon vesting of an award under the Share Award Scheme with effect from 28 June 2023.

During the Period, (1) no Performance-based Awarded Shares was available for grant under the Performance-based Share Award Scheme; (2) the aggregate of 6,873,200 awarded shares granted to the eligible grantees have been purchased by the Trustee from the open market pursuant to the Share Award Scheme, therefore, no Shares will be issued in respect of the awarded shares granted under the Share Award Scheme; and (3) no award was granted under the Share Incentive Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Period divided by the weighted average number of Shares in issue for the Period is therefore not applicable.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Period and up until the date of this report, except that as disclosed in the section headed "Other Information – Share Schemes", none of the Directors or chief executive of the Company was granted any share options and/or awarded shares under the Share Option Scheme, the Share Award Scheme, the Performance-based Share Award Scheme or the Share Incentive Scheme.

Save as disclosed above and in the section headed "Disclosure of Interest as per registers kept pursuant to the SFO" in this report, at no time for the six months ended 30 June 2025 were there rights to acquire benefits by means of the acquisition of shares in, or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.



## OTHER INFORMATION

### COMPETING INTEREST

To the best knowledge of the Company, none of the Directors or the substantial shareholders of the Company or their respective associates has any interest in any business which competed or may compete with the business of the Group during the Period.

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

The Company had bought back the Shares on the Stock Exchange during the Period with details as follows:

Month of Purchase	Number of Shares Bought Back	Price per Share		Total Consideration Paid HK\$
		Highest Price Paid HK\$	Lowest Price Paid HK\$	
April 2025	649,000	3.55	3.46	2,271,010
May 2025	5,302,000	3.75	3.56	19,402,650
June 2025	3,384,000	4.28	3.52	13,385,520
<b>Total</b>	<b>9,335,000</b>			<b>35,059,180</b>

As at the date of this report, all of the Shares bought back are held as Treasury Shares. These Treasury Shares have been withdrawn from the Central Clearing and Settlement System (CCASS) and re-registered in the Company's name. As at the date of this report, the Company holds 18,416,000 Treasury Shares and such Treasury Shares will not be entitled to receive the interim dividend and special dividend declared by the Board, as detailed in the section headed "Management Discussion And Analysis – Dividend" of this report. The Company intends to use the Treasury Shares for: (i) future resale for capital management, and/or (ii) satisfying the grant of the awards under the Share Incentive Scheme.

The Board performed the share repurchase in accordance with buy-back mandate granted by the Shareholders at the annual general meetings and in the best interests of the Company and the Shareholders as a whole. The share buy-backs were carried out having considered the market conditions and financial arrangements, the Board believes that the share buy-back would enhance the value of the Company and Shareholders in the long term.

## OTHER INFORMATION

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including Treasury Shares). As at 30 June 2025, the Company held 13,042,000 Treasury Shares.

### AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and to supervise the financial reporting process and risk management (including ESG risks) and internal control systems of the Group. As at the date of this report, the Audit Committee comprised all independent non-executive Directors, namely, Mr. Kam Wai Man (chairman of the Audit Committee), Ms. Feng Li and Mr. Tan Hup Foi (appointed on 28 May 2025).

The Audit Committee has reviewed the unaudited interim financial report of the Group for the Period and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure in accordance with the Listing Rules has been made in respect thereof.

### NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### The Fuzhou Tianmeng Structured Contracts

The existing PRC laws and regulations restrict foreign ownership in the value-added telecommunication businesses, and prohibit foreign ownership on internet culture operation (except for music) services in the PRC. The wholly-owned subsidiary of the Company, Fuzhou Tianji, being a foreign-owned enterprise, does not have the requisite licenses to operate the online games business regarding value-added telecommunication businesses, and is not allowed to carry out internet culture operation (except for music) services in the PRC.

In order to comply with the above-mentioned PRC laws, the Group operated the online games business in China through Fuzhou Tianmeng. Fuzhou Tianmeng, as a domestic company established in China, holds certain of important licenses, including the ICP License, to operate our business.

In 2007, Fuzhou Tianji, the Founders and Fuzhou Tianmeng entered into the Previous Structured Contracts, as supplemented by the agreements in 2009 and 2013, pursuant to which the financial results of Fuzhou Tianmeng would be combined with the Company as if Fuzhou Tianmeng were a subsidiary of the Group. For details of terms of the Previous Structured Contracts, please refer to page 84 to page 85 of 2018 Annual Report of the Company.



## OTHER INFORMATION

### *Termination of the Previous Structured Contracts and the entering into of the Fuzhou Tianmeng Structured Contracts*

On 28 December 2018, each of the Founders and the Fuzhou Tianmeng Registered Holders entered into an equity transfer agreement (the “Equity Transfer Agreement”), pursuant to which each of the Founders agreed to transfer 50% and 50% of the equity interests in Fuzhou Tianmeng to Mr. Deyang Zheng and Mr. Chengfeng Luo, respectively, at a total consideration of RMB10.51 million. On the same date, the relevant parties as detailed below also entered into the following agreements as detailed below to change the registered shareholders of Fuzhou Tianmeng:

- (i) the termination agreement, pursuant to which the Founders, Fuzhou Tianmeng and Fuzhou Tianji agreed that subject to the entering into of the Fuzhou Tianmeng Structured Contracts by Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders, the Previous Structured Contracts would be terminated;
- (ii) the loan agreement, pursuant to which, among others, Fuzhou Tianji agreed to offer each of Mr. Deyang Zheng and Mr. Chengfeng Luo a loan for the purpose of providing to the Fuzhou Tianmeng Registered Holders the consideration under the Equity Transfer Agreement; and
- (iii) the tripartite agreement, pursuant to which, among others, Fuzhou Tianji, the Founders and the Fuzhou Tianmeng Registered Holders agreed to set-off the consideration under the Equity Transfer Agreement payable by the Fuzhou Tianmeng Registered Holders against the loans owed by the Founders to Fuzhou Tianji.

The Fuzhou Tianmeng Structured Contracts comprise eight agreements, the details of which are summarised as below:

- (i) **New Call Option Agreement:** on 28 December 2018, Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders entered into the call option agreement (the “New Call Option Agreement”), pursuant to which each of the Fuzhou Tianmeng Registered Holders irrevocably granted the exclusive right to Fuzhou Tianji or its designee(s) to acquire equity interest in or assets of Fuzhou Tianmeng as and when permitted by the PRC laws. The amount of consideration payable by Fuzhou Tianji to the equity holders of Fuzhou Tianmeng shall be RMB1.0 or the lowest possible amount permissible under the applicable PRC laws. The Fuzhou Tianmeng Registered Holders shall return any consideration they receive in the event that Fuzhou Tianji exercises the call option under the New Call Option Agreement to acquire equity interest in or assets of Fuzhou Tianmeng.

## OTHER INFORMATION

- (ii) **New Equity Pledge Agreement:** on 28 December 2018, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders entered into the equity pledge agreement (the “New Equity Pledge Agreement”), pursuant to which the Fuzhou Tianmeng Registered Holders granted Fuzhou Tianji a continuing first priority security interest over their respective equity interest in Fuzhou Tianmeng, representing all of the equity interest in Fuzhou Tianmeng’s registered capital, for the purpose of securing the performance of contractual obligations by Fuzhou Tianmeng under the Fuzhou Tianmeng Structured Contracts. In addition, the Fuzhou Tianmeng Registered Holders agreed to allocate, use or deal with the dividends and other non-cash distributions paid for the equity interest in Fuzhou Tianmeng in any way according to the instruction of Fuzhou Tianji.
- (iii) **Power of Attorney of Mr. Deyang Zheng:** on 28 December 2018, Mr. Deyang Zheng issued a power of attorney (the “Power of Attorney of Mr. Deyang Zheng”), pursuant to which Mr. Deyang Zheng irrevocably authorised the Directors and their successors or the Company’s liquidator to exercise all the shareholders’ rights of Mr. Deyang Zheng in Fuzhou Tianmeng.
- (iv) **Power of Attorney of Mr. Chengfeng Luo:** on 28 December 2018, Mr. Chengfeng Luo issued a power of attorney (the “Power of Attorney of Mr. Chengfeng Luo”, together with the Power of Attorney of Mr. Deyang Zheng, the “New Power of Attorney”), pursuant to which Mr. Chengfeng Luo irrevocably authorised the Directors and their successors or the Company’s liquidator to exercise all the shareholders’ rights of Mr. Chengfeng Luo in Fuzhou Tianmeng.
- (v) **New Exclusive Technical Consulting Service Agreement:** on 28 December 2018, Fuzhou Tianmeng, Fuzhou Tianji and the Fuzhou Tianmeng Registered Holders entered into the exclusive technical consulting service agreement (the “New Exclusive Technical Consulting Service Agreement”), pursuant to which Fuzhou Tianmeng agreed to pay a fee to Fuzhou Tianji in return for Fuzhou Tianji providing exclusive technical consulting services as required by Fuzhou Tianmeng to support its operations. According to the New Exclusive Technical Consulting Service Agreement, unless otherwise agreed by both parties, Fuzhou Tianji would provide technical support and consultation services to Fuzhou Tianmeng, as the consideration, and the technical services fees will be paid on a quarterly basis and equal to Fuzhou Tianmeng’s total revenue deducting all related expenses, costs and taxes payable by Fuzhou Tianmeng.
- (vi) **New Online Game Licensing Agreement:** on 28 December 2018, Fuzhou Tianji and Fuzhou Tianmeng entered into the online game licensing agreement (the “New Online Game Licensing Agreement”), pursuant to which Fuzhou Tianji agreed to grant to Fuzhou Tianmeng usage rights on various online game software for operation in the PRC. As the consideration, Fuzhou Tianmeng is required to pay to Fuzhou Tianji (i) an initial licensing fee, payable after the signing date; and (ii) commissions payable on a quarterly basis according to a percentage generally accepted in the market and such commission shall be a fair value.



## OTHER INFORMATION

- (vii) Spouse Undertaking of Mr. Deyang Zheng: on 28 December 2018, the spouse of Mr. Deyang Zheng issued a spouse undertaking (the “Spouse Undertaking of Mr. Deyang Zheng”) to the effect that (i) Mr. Deyang Zheng’s interests in Fuzhou Tianmeng (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Deyang Zheng and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Fuzhou Tianmeng Structured Contracts by Mr. Deyang Zheng; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Fuzhou Tianmeng Structured Contracts; and (iv) in the event that she obtains any interests in Fuzhou Tianmeng, she will be subject to and abide by the terms of the Fuzhou Tianmeng Structured Contracts, and at the request of Fuzhou Tianji, she will sign any documents in the form and substance consistent with the Fuzhou Tianmeng Structured Contracts.
- (viii) Spouse Undertaking of Mr. Chengfeng Luo: on 28 December 2018, the spouse of Mr. Chengfeng Luo issued a spouse undertaking (the “Spouse Undertaking of Mr. Chengfeng Luo”, together with the Spouse Undertaking of Mr. Deyang Zheng, the “Spouse Undertakings”) to the effect that (i) Mr. Chengfeng Luo’s interests in Fuzhou Tianmeng (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Chengfeng Luo and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Fuzhou Tianmeng Structured Contracts by Mr. Chengfeng Luo; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Fuzhou Tianmeng Structured Contracts; and (iv) in the event that she obtains any interests in Fuzhou Tianmeng, she will be subject to and abide by the terms of the Fuzhou Tianmeng Structured Contracts, and at the request of Fuzhou Tianji, she will sign any documents in the form and substance consistent with the Fuzhou Tianmeng Structured Contracts.

Please refer to the announcement dated 28 December 2018 for details of the continuing connected transactions relating to the entering into of the Fuzhou Tianmeng Structured Contracts.

### **The Xinhan Liaokuo Structured Contracts**

Xinhan Liaokuo is a domestic company established in China in September 2020 and holds an ICP License to operate the online games business in the PRC.

After the analysis of the Group’s game operating strategy and in order to extend the game publishing network in the PRC, the Directors believe that the entry into another set of structured contracts is in the best interests of the Company and the Shareholders as a whole. Therefore, in 2020, Hainan Tianzhi, Xinhan Liaokuo and Xinhan Liaokuo Registered Holders entered into the Xinhan Liaokuo Structured Contracts, pursuant to which the financial results of Xinhan Liaokuo would be combined with the Company as if Xinhan Liaokuo were a subsidiary of the Group.

## OTHER INFORMATION

The Xinhan Liaokuo Structured Contracts comprise eight agreements, the details of which are summarised as below:

- (i) **Xinhan Liaokuo Call Option Agreement:** on 30 October 2020, Hainan Tianzhi, Xinhan Liaokuo and the Xinhan Liaokuo Registered Holders entered into the call option agreement (the “Xinhan Liaokuo Call Option Agreement”), pursuant to which each of the Xinhan Liaokuo Registered Holders irrevocably granted the exclusive right to Hainan Tianzhi or its designee(s) to acquire equity interest in or assets of Xinhan Liaokuo as and when permitted by the PRC laws. The amount of consideration payable by Hainan Tianzhi to the equity holders of Xinhan Liaokuo shall be RMB1.0 or the lowest possible amount permissible under the applicable PRC laws. The Xinhan Liaokuo Registered Holders shall return any consideration they receive in the event that Hainan Tianzhi exercises the call option under the Xinhan Liaokuo Call Option Agreement to acquire equity interest in or assets of Xinhan Liaokuo.
- (ii) **Xinhan Liaokuo Equity Pledge Agreement:** on 30 October 2020, Hainan Tianzhi and the Xinhan Liaokuo Registered Holders entered into the equity pledge agreement (the “Xinhan Liaokuo Equity Pledge Agreement”), pursuant to which the Xinhan Liaokuo Registered Holders granted Hainan Tianzhi a continuing first priority security interest over their respective equity interest in Xinhan Liaokuo, representing all of the equity interest in Xinhan Liaokuo’s registered capital, for the purpose of securing the performance of contractual obligations by Xinhan Liaokuo under the Xinhan Liaokuo Structured Contracts. In addition, the Xinhan Liaokuo Registered Holders agreed to allocate, use or deal with the dividends and other non-cash distributions paid for the equity interest in Xinhan Liaokuo in any way according to the instruction of Hainan Tianzhi.
- (iii) **Second Power of Attorney of Mr. Deyang Zheng:** on 30 October 2020, Mr. Deyang Zheng issued a power of attorney (the “Second Power of Attorney of Mr. Deyang Zheng”), pursuant to which Mr. Deyang Zheng irrevocably authorised the Directors and their successors or the Company’s liquidator to exercise all the shareholders’ rights of Mr. Deyang Zheng in Xinhan Liaokuo.
- (iv) **Second Power of Attorney of Mr. Chengfeng Luo:** on 30 October 2020, Mr. Chengfeng Luo issued a power of attorney (the “Second Power of Attorney of Mr. Chengfeng Luo”, together with the Second Power of Attorney of Mr. Deyang Zheng, the “Second Power of Attorney”), pursuant to which Mr. Chengfeng Luo irrevocably authorised the Directors and their successors or the Company’s liquidator to exercise all the shareholders’ rights of Mr. Chengfeng Luo in Xinhan Liaokuo.



## OTHER INFORMATION

- (v) Xinhan Liaokuo Exclusive Technical Consulting Service Agreement: on 30 October 2020, Xinhan Liaokuo, Hainan Tianzhi and the Xinhan Liaokuo Registered Holders entered into the exclusive technical consulting service agreement (the “Xinhan Liaokuo Exclusive Technical Consulting Service Agreement”), pursuant to which Xinhan Liaokuo agreed to pay a fee to Hainan Tianzhi in return for Hainan Tianzhi providing exclusive technical consulting services as required by Xinhan Liaokuo to support its operations. According to the Xinhan Liaokuo Exclusive Technical Consulting Service Agreement, unless otherwise agreed by both parties, Hainan Tianzhi would provide technical support and consultation services to Xinhan Liaokuo, as the consideration, and the technical services fees will be paid on a quarterly basis and equal to Xinhan Liaokuo’s total revenue deducting all related expenses, costs and taxes payable by Xinhan Liaokuo.
- (vi) Xinhan Liaokuo Online Game Licensing Agreement: on 30 October 2020, Hainan Tianzhi and Xinhan Liaokuo entered into the online game licensing agreement (the “Xinhan Liaokuo Online Game Licensing Agreement”), pursuant to which Hainan Tianzhi agreed to grant to Xinhan Liaokuo usage rights on various online game software for operation in the PRC. As the consideration, Xinhan Liaokuo is required to pay to Hainan Tianzhi (i) an initial licensing fee, payable after the signing date; and (ii) commissions payable on a quarterly basis according to a percentage generally accepted in the market and such commission shall be a fair value.
- (vii) Second Spouse Undertaking of Mr. Deyang Zheng: on 30 October 2020, the spouse of Mr. Deyang Zheng issued a spouse undertaking (the “Second Spouse Undertaking of Mr. Deyang Zheng”) to the effect that (i) Mr. Deyang Zheng’s interests in Xinhan Liaokuo (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Deyang Zheng and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Xinhan Liaokuo Structured Contracts by Mr. Deyang Zheng; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Xinhan Liaokuo Structured Contracts; and (iv) in the event that she obtains any interests in Xinhan Liaokuo, she will be subject to and abide by the terms of the Xinhan Liaokuo Structured Contracts, and at the request of Hainan Tianzhi, she will sign any documents in the form and substance consistent with the Xinhan Liaokuo Structured Contracts.
- (viii) Second Spouse Undertaking of Mr. Chengfeng Luo: on 30 October 2020, the spouse of Mr. Chengfeng Luo issued a spouse undertaking (the “Second Spouse Undertaking of Mr. Chengfeng Luo”, together with the Second Spouse Undertaking of Mr. Deyang Zheng, the “Second Spouse Undertakings”) to the effect that (i) Mr. Chengfeng Luo’s interests in Xinhan Liaokuo (together with any other interests therein) do not fall within the scope of communal properties; (ii) she has no right to or control over such interests of Mr. Chengfeng Luo and will not have any claim on such interest. No authorisation or consent will be needed from her for the performance, amendment or termination of the Xinhan Liaokuo Structured Contracts by Mr. Chengfeng Luo; (iii) she will execute all necessary documents and take all necessary actions to ensure the performance of the Xinhan Liaokuo Structured Contracts; and (iv) in the event that she obtains any interests in Xinhan Liaokuo, she will be subject to and abide by the terms of the Xinhan Liaokuo Structured Contracts, and at the request of Hainan Tianzhi, she will sign any documents in the form and substance consistent with the Xinhan Liaokuo Structured Contracts.

## OTHER INFORMATION

For the purpose of the Listing, the Company applied to the Stock Exchange, and the Stock Exchange granted a waiver from (i) strict compliance with the announcement and independent Shareholders' approval of the Company, (ii) setting a maximum aggregate annual value under Fuzhou Tianmeng Structured Contracts, and (iii) fixing the terms of Fuzhou Tianmeng Structured Contracts to three years or less, for as long as Shares are listed on the Stock Exchange, subject to numerous conditions as set out in the section headed "Continuing Connected Transactions" of the Prospectus. The Xinhan Liaokuo Structured Contracts are cloned from the Fuzhou Tianmeng Structured Contracts with substantially the same terms. Pursuant to the aforementioned conditions, cloning of structured contracts similar to the Fuzhou Tianmeng Structured Contracts will not be subject to the strict requirements of announcement and shareholders' approval under Chapter 14A of the Listing Rules.

### Contribution of the Structured Contracts to the Group

The Directors are of the view that the Group kept the Structured Contracts to maintain presence in the PRC for further development but the business and operation of the Group do not rely on Fuzhou Tianmeng, Xinhan Liaokuo or the Structured Contracts.

The tables below compare the number of games operated, game revenue and assets attributable to Fuzhou Tianmeng and Xinhan Liaokuo during the Period:

#### Number of games operated:

	As at 30 June 2025	
	Developed in-house	Licensed
Fuzhou Tianmeng	2	1
Xinhan Liaokuo	—	—

#### Game revenue\*:

	For the six months ended 30 June 2025	
	Revenue attributable to the relevant entity HK\$' 000	Percentage of the total revenue of the Group %
Fuzhou Tianmeng	89,013	3.27
Xinhan Liaokuo	—	—

\* Game revenue is from external customers.



## OTHER INFORMATION

### Assets:

	As at 30 June 2025	
	Assets attributable to the relevant entity HK\$' 000	Percentage of the total assets of the Group %
Fuzhou Tianmeng	184,155	3.99
Xinhan Liaokuo	21	0.00*

\* This percentage represents a percentage less than 0.01.

### On-going reporting and approvals

The Company confirmed that, as at the date hereof, the Structured Contracts had not been challenged by the relevant authorities in the PRC and the Group had not encountered any interference or encumbrance from any PRC governing bodies in operating their business through Fuzhou Tianmeng and Xinhan Liaokuo under the Structured Contracts.

The Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Structured Contracts and the compliance with the Structured Contracts:

- The Company confirms that in order to ensure the operation of the Structured Contracts, the Company has reviewed the overall performance and compliance with the Structured Contracts for the Period.
- The independent non-executive Directors will review the Structured Contracts annually and confirm in the annual reports that (i) the transactions carried out during such year have been entered into in accordance with relevant terms of the Structured Contracts such that all revenue generated by Fuzhou Tianmeng and Xinhan Liaokuo deducting all related expenses, costs and the taxes payable by them has been retained by the Group; (ii) no dividends or other distributions have been made by Fuzhou Tianmeng and Xinhan Liaokuo to their respective equity interest holders; and (iii) no new contracts or renewed contracts have been entered into on the same terms as the Structured Contracts.
- Major issues arising from the implementation and compliance with the Structured Contracts or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis.
- The Company will disclose the overall performance and compliance with the Structured Contracts in its annual/ interim report to update the Shareholders and potential investors.

## OTHER INFORMATION

- The Directors will provide periodic updates in the annual/interim reports regarding the qualification requirements as stipulated under the FITE Regulations and the development of laws and regulations on foreign investment, including the latest relevant regulatory development.
- The Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Structured Contracts, review the legal compliance of Fuzhou Tianji, Fuzhou Tianmeng, Hainan Tianzhi and Xinhan Liaokuo to deal with specific issues or matters arising from the Structured Contracts.
- The Company has engaged KPMG as its auditor to perform procedures annually on the transactions contemplated under the Structured Contracts and the auditor will carry out procedures annually to ensure that no dividend or other distributions have been distributed by Fuzhou Tianmeng and Xinhan Liaokuo to their respective equity holders which was not subsequently assigned or transferred to our Group and relevant transactions have received approval of the Board and were entered into in accordance with the terms of the Structured Contracts.
- Save as disclosed in the interim report and in compliance with the applicable requirements under the Listing Rules, the Group has not renewed and/or reproduced any of the framework of and terms and conditions similar to those of the Structured Contracts in relation to any existing or new wholly foreign-owned enterprise or operating company.
- Each of Fuzhou Tianmeng and Xinhan Liaokuo has provided the Company's management and auditors with full access to relevant records for the purpose of the auditors' performance of review procedures on relevant transactions under the Structured Contracts.

### Regulatory Matters in Relation to the Structured Contracts

#### *FITE Regulations*

Foreign investment in telecommunications sector is governed by the Regulations on Administration of Foreign Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "FITE Regulations"), which were promulgated by the State Council on 11 December 2001 and amended on 10 September 2008, 6 February 2016 and 29 March 2022. A foreign-invested telecommunications enterprise, or FITE, is allowed to be engaged in value-added telecommunications business, provided that the foreign investor's ultimate equity holding percentage in a value-added telecommunications business shall not exceed 50% unless otherwise prescribed by the State. The current operation of the Company in the online games business in the PRC is subject to the aforementioned regulation where the foreign investor's ultimate equity holding percentage of which shall not exceed 50%. Under the amendment to the FITE Regulations on 29 March 2022, it removed the requirement that the principal foreign investors of FITE operating value-added telecommunications businesses should have "a good track record and operational experience" in their value-added telecommunications businesses.



## OTHER INFORMATION

In this regard, our PRC legal advisers, Jingtian & Gongcheng, advised that (i) the current operation of the Group in the online games business in the PRC involves internet cultural activities regulated in the Interim Provisions on the Administration of Internet Culture (《互聯網文化管理暫行規定》); and (ii) internet culture operation (except for music) fall within the scope of prohibited areas of foreign investments under the Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024 年版)》). Our PRC legal advisers, Jingtian & Gongcheng, also advised that the Group shall continue to comply with the requirement as disclosed in the Prospectus with regard to the PRC laws and regulations restricting foreign ownership in the value-added telecommunication businesses, and foreign ownership prohibitions on carrying out internet culture operation (except for music) services since the Listing Date up to the date of this report. We intend to be qualified to acquire the entire equity interests in Fuzhou Tianmeng and Xinhan Liaokuo to the extent permitted by PRC laws when the abovementioned laws and regulations are lifted.

### *Foreign Investment Law*

The Foreign Investment Law (《外商投資法》) (the “FIL”), approved by the second session of the 13th National People’s Congress, and the Regulation on the Implementation of the Foreign Investment Law (《外商投資法實施條例》) (the “FIL Implementation Regulation”), promulgated by the State Council, have come into effect on 1 January 2020.

According to the FIL, the investment in China directly or indirectly by foreign natural persons, enterprises or other organisations (“Foreign Investors”) is defined as foreign investment (“Foreign Investment”), which includes the following situations: (1) Foreign Investors alone or cooperate with other investors to establish foreign-invested enterprises in China; (2) Foreign Investors acquire shares, equities, property shares or other similar rights of Chinese domestic enterprises; (3) Foreign Investors alone or cooperate with other investors invest projects in China; (4) other means of investment prescribed by laws, administrative regulations or rules promulgated by the State Council. According to Jingtian & Gongcheng, our PRC legal advisers, the FIL and the FIL Implementation Regulation do not clearly stipulate whether the Structured Contracts are a form of Foreign Investment.

In accordance with the existing provisions of the FIL and the FIL Implementation Regulation and if the laws, administrative regulations and the State Council do not include the Structured Contracts as a form of Foreign Investment, the Structured Contracts will not be materially affected. However, in view of the provisions of the above-mentioned situation (4) of Foreign Investment in the FIL, it is not excluded that the Structured Contracts may be regarded as a form of Foreign Investment according to laws, administrative regulations or rules promulgated by the State Council in the future. In this regard, the Company cannot guarantee that the Structured Contracts and the operations of Fuzhou Tianmeng and Xinhan Liaokuo will not be materially and adversely affected by changes in PRC laws and regulations in the future.

## OTHER INFORMATION

Since the FIL and the FIL Implementation Regulation do not clarify whether the Structured Contracts are a form of Foreign Investment, the Company believes that it may not be appropriate at this stage to formulate specific measures to avoid the Structured Contracts being recognised as a form of Foreign Investment under the FIL. If the Structured Contracts is recognised as a form of Foreign Investment in the future, and there is no special provision for the Structured Contracts that allows Fuzhou Tianmeng and Xinhua Liaokuo, provided that certain conditions are met, to continue to carry out relevant foreign investment restricted or prohibited businesses, the Company might be requested to dispose of its interests in Fuzhou Tianmeng and Xinhua Liaokuo. The appropriate risk factors had already been disclosed in the paragraph headed “Risks And Limitations Relating To The New VIE Structure – There is no assurance that the contractual arrangements between Fuzhou Tianji and Fuzhou Tianmeng will be deemed to be in compliance with existing or future PRC laws and regulations” in the announcement of the Company dated 28 December 2018.

The Company confirms that if the Structured Contracts are required to be unwind or the Company is required to dispose of the interests in Fuzhou Tianmeng and Xinhua Liaokuo in the future, it can engage other domestic publishers with the due qualifications and licenses to operate its online games in the PRC, which may adversely affect the Group’s operational and financial performance because engaging other domestic publishers may impose more costs to the Group. However, the Company expects that such adverse impact on the Group’s operational and financial performance will not be material considering that (1) the revenue and assets attributable to the Structured Contracts are about 3.27% and 3.99% for the Period, respectively, and (2) there is no legal obstacle for Fuzhou Tianmeng and Xinhua Liaokuo to transfer their respective assets to Fuzhou Tianji, Hainan Tianzhi or IGG Singapore, as the case may be, a subsidiary of the Group.



# REVIEW REPORT ON THE INTERIM FINANCIAL REPORT



**Review report to the Board of Directors of IGG Inc**  
*(Incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim financial report set out on pages 57 to 95 which comprises the consolidated statement of financial position of IGG Inc (the “Company”) and its subsidiaries (together the “Group”) as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim financial reporting* as issued by the International Accounting Standards Board. The Directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim financial reporting*.

**KPMG**  
*Certified Public Accountants*  
8th Floor, Prince’s Building  
10 Chater Road  
Central, Hong Kong

27 August 2025

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025 – unaudited

	Note	Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
<b>Revenue</b>	3	<b>2,721,445</b>	2,735,274
Cost of revenue		<u>(464,301)</u>	<u>(580,090)</u>
<b>Gross profit</b>		<b>2,257,144</b>	2,155,184
Other net gains	4	<b>27,815</b>	173
Selling and distribution expenses		<b>(1,346,044)</b>	(1,221,314)
Administrative expenses		<b>(159,503)</b>	(163,821)
Research and development expenses		<u><b>(393,924)</b></u>	<u>(394,508)</u>
<b>Profit from operations</b>		<b>385,488</b>	375,714
Finance costs	5(b)	<b>(1,609)</b>	(1,406)
Share of results of associates and joint ventures		<u><b>86</b></u>	<u>7,971</u>
<b>Profit before taxation</b>	5	<b>383,965</b>	382,279
Income tax expenses	6	<u><b>(59,274)</b></u>	<u>(51,334)</u>
<b>Profit for the period</b>		<u><b>324,691</b></u>	<u>330,945</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>321,519</b>	330,945
Non-controlling interests		<u><b>3,172</b></u>	<u>–</u>
<b>Profit for the period</b>		<u><b>324,691</b></u>	<u>330,945</u>
<b>Earnings per share (in HK\$ per share)</b>	7		
Basic		<u><b>0.2805</b></u>	<u>0.2880</u>
Diluted		<u><b>0.2789</b></u>	<u>0.2863</u>

The notes on pages 65 to 95 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 20.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited

	Six months ended 30 June	
	2025 HK\$' 000	2024 HK\$' 000
<b>Profit for the period</b>	<b>324,691</b>	<b>330,945</b>
<b>Other comprehensive income for the period, after tax</b>		
<i>Item that is or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	36,352	(32,145)
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	39,778	(158)
<b>Other comprehensive income for the period</b>	<b>76,130</b>	<b>(32,303)</b>
<b>Total comprehensive income for the period</b>	<b>400,821</b>	<b>298,642</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	397,649	298,642
Non-controlling interests	3,172	—
<b>Total comprehensive income for the period</b>	<b>400,821</b>	<b>298,642</b>

The notes on pages 65 to 95 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 – unaudited

	Note	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	8	876,450	775,917
Investment properties	8	24,430	24,557
Intangible assets		4,286	3,578
Land use rights	9	203,932	203,645
Other non-current assets	10	28,264	32,820
Interests in associates and joint ventures	11	86,644	92,930
Financial assets at fair value through profit or loss	12	387,861	395,278
Deferred tax assets		20,072	17,555
<b>Total non-current assets</b>		<b>1,631,939</b>	<b>1,546,280</b>
<b>Current assets</b>			
Inventories		797	409
Trade and other receivables	13	131,819	183,652
Funds receivable	14	243,341	280,916
Prepayments		39,952	49,186
Financial assets at fair value through profit or loss	12	14,463	15,968
Restricted deposits	15	16,520	16,306
Fixed deposits held at bank with maturity over 3 months when acquired		32,885	4,814
Cash and cash equivalents	16	2,501,634	2,245,666
Assets held for sale	17	–	75,459
<b>Total current assets</b>		<b>2,981,411</b>	<b>2,872,376</b>
<b>Current liabilities</b>			
Trade and other payables	18	738,366	788,805
Other financial liabilities		2,444	1,638
Lease liabilities	19	41,388	51,989
Tax payable		205,093	196,675
Deferred revenue		176,683	220,456
<b>Total current liabilities</b>		<b>1,163,974</b>	<b>1,259,563</b>
<b>Net current assets</b>		<b>1,817,437</b>	<b>1,612,813</b>
<b>Total assets less current liabilities</b>		<b>3,449,376</b>	<b>3,159,093</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

at 30 June 2025 – unaudited

	Note	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	19	15,209	31,923
Deferred tax liabilities		3,032	2,759
<b>Total non-current liabilities</b>		<u>18,241</u>	<u>34,682</u>
<b>NET ASSETS</b>		<u>3,431,135</u>	<u>3,124,411</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	20(b)	23	23
Reserves		3,423,159	3,121,046
<b>Total equity attributable to equity shareholders of the Company</b>		3,423,182	3,121,069
<b>Non-controlling interests</b>		7,953	3,342
<b>TOTAL EQUITY</b>		<u>3,431,135</u>	<u>3,124,411</u>

Approved and authorised for issue by the board of directors on 27 August 2025.

**Zongjian Cai**  
Director

**Jessie Shen**  
Director

The notes on pages 65 to 95 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 – unaudited

		Attributable to equity shareholders of the Company											
		Share-based payment			Shares held for share award	Share repurchased for held as treasury shares	Statutory reserve	Other reserve	Exchange reserve	Retained earnings	Non-controlling interests		Total equity
Note	Share capital	Share premium	reserve	scheme	shares	reserve	reserve	reserve	earnings	Total	Interests		
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	
Balance at 1 January 2025	23	-	126,151	(175,405)	(13,753)	11,298	58,495	(235,661)	3,349,921	3,121,069	3,342	3,124,411	
Changes in equity for the six months ended 30 June 2025													
Profit for the period	-	-	-	-	-	-	-	-	321,519	321,519	3,172	324,691	
Other comprehensive income	-	-	-	-	-	-	-	76,130	-	76,130	-	76,130	
Total comprehensive income	-	-	-	-	-	-	-	76,130	321,519	397,649	3,172	400,821	
Dividends declared in respect of the previous year													
20(a)	-	-	-	-	-	-	-	-	(74,999)	(74,999)	-	(74,999)	
Equity-settled share-based payment													
	-	-	10,010	-	-	-	-	-	-	10,010	1,439	11,449	
Shares purchased for the share award scheme													
20(b)	-	-	-	(2,109)	-	-	-	-	-	(2,109)	-	(2,109)	
Repurchase of ordinary shares													
20(b)	-	-	-	-	(35,059)	-	-	-	-	(35,059)	-	(35,059)	
Exercise of share options													
20(b)	-*	8,069	(3,198)	-	-	-	-	-	-	4,871	-	4,871	
Vesting of awarded shares													
20(b)	-	(3,160)	(6,905)	10,065	-	-	-	-	-	-	-	-	
Dividends received for share award scheme													
	-	-	-	-	-	-	1,750	-	-	1,750	-	1,750	
Appropriation to statutory reserves													
	-	-	-	-	-	697	-	-	(697)	-	-	-	
Balance at 30 June 2025	23	4,909	126,058	(167,449)	(48,812)	11,995	60,245	(159,531)	3,595,744	3,423,182	7,953	3,431,135	



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the six months ended 30 June 2025 – unaudited

Attributable to equity shareholders of the Company										
Note										
	Share capital	Share premium	Share-based payment reserve	Shares held for share award scheme	Share repurchased for cancellation	Statutory reserve	Other reserve	Exchange reserve	Retained profits	Total equity
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
<b>Balance at 1 January 2024</b>	23	–	119,256	(198,703)	(7,931)	8,668	56,095	(164,154)	2,921,509	2,734,763
<b>Changes in equity for the six months ended 30 June 2024</b>										
Profit for the period	–	–	–	–	–	–	–	–	330,945	330,945
Other comprehensive income	–	–	–	–	–	–	–	(32,303)	–	(32,303)
<b>Total comprehensive income</b>	–	–	–	–	–	–	–	(32,303)	330,945	298,642
Equity-settled share-based payment	–	–	15,680	–	–	–	–	–	–	15,680
Shares purchased for the share award scheme	20(b)	–	–	(5,434)	–	–	–	–	–	(5,434)
Repurchase of ordinary shares	20(b)	–	–	–	(32,863)	–	–	–	–	(32,863)
Cancellation of ordinary shares	20(b)	*	–	–	40,794	–	–	–	(40,794)	–
Vesting of awarded shares	20(b)	–	–	(7,883)	11,571	–	–	–	(3,688)	–
Appropriation to statutory reserves	–	–	–	–	–	717	–	–	(717)	–
<b>Balance at 30 June 2024</b>	23	–	127,053	(192,566)	–	9,385	56,095	(196,457)	3,207,255	3,010,788

\* These amounts represent amounts less than HK\$1,000.

The notes on pages 65 to 95 form part of this interim financial report.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2025 – unaudited

	Six months ended 30 June	
	2025 HK\$' 000	2024 HK\$' 000
<b>Operating activities</b>		
Cash generated from operations	362,055	583,492
Income tax paid	(48,344)	(7,726)
Interest received	41,750	26,785
<b>Net cash generated from operating activities</b>	<b>355,461</b>	<b>602,551</b>
<b>Investing activities</b>		
Payment for acquisitions of financial assets at fair value through profit or loss and other financial liabilities	(17,906)	(22,382)
Proceeds from disposal of financial assets at fair value through profit or loss and other financial liabilities	20,447	22,128
Payment for the acquisitions of property, plant and equipment and intangible assets	(45,588)	(78,676)
Dividends received	4,463	14,663
Proceeds from disposal of property, plant and equipment	174	87
Proceeds from recover of assets held for sale	76,386	–
Investment in associates	(3,336)	–
Net placements of fixed deposits held at bank with original maturity over 3 months when acquired	(28,071)	–
<b>Net cash generated from/(used in) investing activities</b>	<b>6,569</b>	<b>(64,180)</b>



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

for the six months ended 30 June 2025 – unaudited

	Note	Six months ended 30 June	
		2025 HK\$' 000	2024 HK\$' 000
<b>Financing activities</b>			
Capital element of lease rentals paid		(24,767)	(23,604)
Interest element of lease rentals paid		(1,609)	(1,406)
Dividends paid		(73,249)	–
Payments for repurchase of shares		(35,059)	(32,863)
Payments for purchase of shares for share award scheme		(2,109)	(5,434)
Proceeds from grant of restricted shares		–	3,123
Proceeds from exercise of share options		4,871	–
<b>Net cash used in financing activities</b>		<u>(131,922)</u>	<u>(60,184)</u>
<b>Net change in cash and cash equivalents</b>		<b>230,108</b>	<b>478,187</b>
<b>Cash and cash equivalents at 1 January</b>		<b>2,245,666</b>	<b>1,469,752</b>
<b>Effect of foreign exchanges rates changes</b>		<u>25,860</u>	<u>(7,619)</u>
<b>Cash and cash equivalents at 30 June</b>	16	<u><b>2,501,634</b></u>	<u><b>1,940,320</b></u>

The notes on pages 65 to 95 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standard Board (“IASB”). The interim financial report was authorised for issue on 27 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of IGG Inc (the “Company”) and its subsidiaries (together the “Group”) since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG’s independent review report to the Board of Directors is included on page 56.

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 3 REVENUE AND OPERATING SEGMENT INFORMATION

The Group was principally engaged in the development and operation of mobile games and applications in the international market.

For the six months ended 30 June 2025, substantially all revenue is generated from mobile games and applications, and recognised over time. All revenue generated from the Group's business is within the scope of IFRS 15.

The Group's customer base was diversified, and no customer had transactions with the Group exceeding 10% of the Group's aggregate revenue during the financial periods presented.

The Group's operations are not subject to significant seasonal factors.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance, focuses on financial results of the Group as a whole reported under IFRS Accounting Standards. Other information provided to the chief operating decision-makers also included a breakdown of the Group's revenue which is as follows:

	Six months ended 30 June			
	2025		2024	
	HK\$' 000	% of total revenues	HK\$' 000	% of total revenues
<b>Revenue from mobile games</b>				
– “Lords Mobile”	1,147,300	42%	1,338,211	49%
– “Doomsday: Last Survivors”	523,644	19%	492,850	18%
– “Viking Rise”	364,343	13%	308,515	11%
– Others	155,736	6%	186,632	7%
	<u>2,191,023</u>	<u>80%</u>	<u>2,326,208</u>	<u>85%</u>
<b>Revenue from application business  (“APP Business”)</b>	<u>530,422</u>	<u>20%</u>	<u>409,066</u>	<u>15%</u>
	<u>2,721,445</u>	<u>100%</u>	<u>2,735,274</u>	<u>100%</u>

Except for the above information, no further information about the operating segment is presented.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 3 REVENUE AND OPERATING SEGMENT INFORMATION (Continued)

### Geographical information

The following table sets out information about the geographical locations of the Group's revenue from external customers and the Group's specified non-current assets. Specified non-current assets exclude financial assets at fair value through profit or loss and deferred tax assets. For mobile games revenue, the geographical locations of customers are based on the Internet Protocol locations of the game players. For revenue from APP Business, the geographical locations of customers are based on the locations of operations of the customers. The geographical locations of the specified non-current assets are based on the physical locations or the location of operations of the assets:

#### (a) Revenues by geographical regions

	Six months ended 30 June			
	2025		2024	
	HK\$'000	% of total revenues	HK\$'000	% of total revenues
Asia	1,128,729	42%	1,104,709	41%
Europe	958,538	35%	930,381	34%
North America	519,793	19%	579,057	21%
Others	114,385	4%	121,127	4%
	<u>2,721,445</u>	<u>100%</u>	<u>2,735,274</u>	<u>100%</u>

#### (b) Specified non-current assets

	At 30 June 2025		At 31 December 2024	
	HK\$'000	% of specified non-current assets	HK\$'000	% of specified non-current assets
	HK\$'000	% of specified non-current assets	HK\$'000	% of specified non-current assets
Asia	1,032,981	84%	955,215	84%
Europe	156,839	13%	142,124	12%
North America	24,156	2%	28,940	3%
Others	10,030	1%	7,168	1%
	<u>1,224,006</u>	<u>100%</u>	<u>1,133,447</u>	<u>100%</u>



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4 OTHER NET GAINS

	Six months ended 30 June	
	2025	2024
	HK\$' 000	HK\$' 000
Net fair value losses on investments	(12,592)	(45,345)
Gain on disposal of financial assets at fair value through profit or loss	46	59
Dividend income	3,782	14,663
Impairment loss on interests in associates (Note 11)	(11,001)	(2,701)
Interest income	41,750	26,785
Exchange gain	208	4,014
Government grants*	2,594	2,467
Rental income from investment properties	761	836
Others	2,267	(605)
	<u>27,815</u>	<u>173</u>

\* Government grants mainly included cash grants related to financial subsidies for enterprises and cash grants to enterprises in cultural industry. There are no unfulfilled conditions or contingencies relating to the grants.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

### (a) Staff costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Salaries, wages and other benefits	447,438	426,789
Equity-settled share-based payment expenses	10,010	15,680
Contributions to defined contribution retirement plan	21,470	20,246
	<u>478,918</u>	<u>462,715</u>

### (b) Finance costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest on lease liabilities	<u>1,609</u>	<u>1,406</u>



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5 PROFIT BEFORE TAXATION (Continued)

#### (c) Other items

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Promotion and advertising expenses	1,314,294	1,193,878
Channel cost	372,678	493,367
Amortisation		
– intangible assets	631	996
– land use rights	2,806	2,852
Depreciation charge		
– owned property, plant and equipment (Note 8(a))	13,333	23,032
– right-of-use assets (Note 8(a))	24,407	28,627
– investment properties (Note 8(b))	499	506
(Reversal)/provision of impairment loss for trade and other receivables and funds receivable	(736)	1,017
(Gain)/loss on disposal of property, plant and equipment	<u>(953)</u>	<u>36</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 6 INCOME TAX

	Six months ended 30 June	
	2025 HK\$' 000	2024 HK\$' 000
Current tax	61,293	50,197
Deferred taxation	(2,019)	1,137
	<u>59,274</u>	<u>51,334</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and accordingly is not subject to income tax.

IGG Singapore Pte. Ltd. is subject to the prevailing corporate tax rate of 17% in Singapore (six months ended 30 June 2024: 17%).

In accordance with the relevant PRC corporate income tax laws, implementation regulations and guidance notes, certain subsidiaries in Chinese Mainland are entitled to tax concessions whereby the profits of these subsidiaries are taxed at a preferential income tax rate. Taxation of the Group's other subsidiaries in Chinese Mainland are calculated using the applicable income tax rates of 25%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, ranging from 15% to 34% (six months ended 30 June 2024: 15% to 34%).



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the interim period.

	Six months ended 30 June	
	2025	2024
Profit attributable to equity shareholders of the Company (HK\$' 000)	<u>321,519</u>	<u>330,945</u>
Weighted average number of ordinary shares in issue (' 000 shares)	<u>1,146,211</u>	<u>1,149,112</u>
Basic earnings per share (HK\$ per share)	<u>0.2805</u>	<u>0.2880</u>

Weighted average number of ordinary shares:

	Six months ended 30 June	
	2025	2024
	shares	shares
	' 000	' 000
Issued ordinary shares at 1 January	1,174,312	1,186,639
Effect of share award scheme	(26,952)	(31,233)
Effect of share options exercised	729	—
Effect of repurchase of ordinary shares	<u>(1,878)</u>	<u>(6,294)</u>
Weighted average number of ordinary shares at 30 June	<u>1,146,211</u>	<u>1,149,112</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 7 EARNINGS PER SHARE (Continued)

### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares during the interim period.

	Six months ended 30 June	
	2025	2024
Profit attributable to equity shareholders of the Company (HK\$'000)	<u>321,519</u>	<u>330,945</u>
Weighted average number of ordinary shares (diluted) ('000 shares)	<u>1,152,759</u>	<u>1,155,741</u>
Diluted earnings per share (HK\$ per share)	<u>0.2789</u>	<u>0.2863</u>

Weighted average number of ordinary shares (diluted):

	Six months ended 30 June	
	2025	2024
	shares	shares
	'000	'000
Weighted average number of ordinary shares at 30 June	1,146,211	1,149,112
Effect of deemed issue of shares under the Company's share award scheme (including performance-based share award scheme)	<u>6,548</u>	<u>6,629</u>
Weighted average number of ordinary shares (diluted) at 30 June	<u>1,152,759</u>	<u>1,155,741</u>



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 8 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT

#### (a) Property, plant and equipment

	2025 HK\$'000	2024 HK\$'000
Net book amount at 1 January	775,917	661,897
Additions	112,948	98,598
Disposals	(1,675)	(123)
Depreciation charge for the period	(37,740)	(51,659)
Exchange adjustments	27,000	(9,175)
Net book amount at 30 June	<u>876,450</u>	<u>699,538</u>

#### (b) Investment properties

	2025 HK\$'000	2024 HK\$'000
Net book amount at 1 January	24,557	26,106
Exchange adjustments	372	(183)
Depreciation charge for the period	(499)	(506)
Net book amount at 30 June	<u>24,430</u>	<u>25,417</u>

### 9 LAND USE RIGHTS

The land use rights mainly represent the rights of the land for periods of 40 years in Fuzhou, China. As at 30 June 2025, the remaining lease term of land use rights is nearly 36 years (31 December 2024: nearly 36.5 years).

### 10 OTHER NON-CURRENT ASSETS

Other non-current assets mainly represent rental deposits. Rental deposits were expected to be collected beyond one year.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 11 INTERESTS IN ASSOCIATES AND JOINT VENTURES

### (a) Interest in associates

Aggregate information of associates that are not individually material:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	86,409	92,824
Aggregate amounts of the Group's shares of these associates'		
(Loss)/profit from continuing operations	(40)	13,814
Total comprehensive income	<u>(40)</u>	<u>13,814</u>
	<b>Six months ended 30 June</b>	
	2025 HK\$'000	2024 HK\$'000
At 1 January	92,824	184,339
Additions	3,302	—
Share of results of associates	(40)	8,548
Impairment loss on interests in associates (Note)	(11,001)	(2,701)
Currency translation differences	<u>1,324</u>	<u>(1,036)</u>
At 30 June	<u>86,409</u>	<u>189,150</u>

Note:

Both external and internal sources of information of associates are considered in assessing whether there is any indication that the investment may be impaired, including but not limited to financial position and business performance.

For the six months ended 30 June 2025, the Group made impairment provisions of HK\$11,001,000 (six months ended 30 June 2024: HK\$2,701,000) against the carrying amount of certain associates. The impairment loss was recognised in "other net gains" during the period. These associates are principally engaged in mobile games business.

The recoverable amount of these associates was HK\$4,345,000 as serious deterioration of operation due to the inability to generate sufficient cash flow from financing or existing games and the inability to launch new games due to failure of research and development, which result the recoverable amount were less than the carrying amount.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 11 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Interest in associates (Continued)

Management has assessed the level of influence that the Group exercises on certain associates with the respective shareholding below 20%, with total carrying amount of HK\$70,435,000 (31 December 2024: HK\$65,958,000). Management determined that it has significant influence thereon through the board representation. Consequently, these investments have been classified as associates.

### (b) Interest in joint ventures

Aggregate information of joint ventures that are not individually material:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	235	106
Aggregate amounts of the Group's shares of these joint ventures'		
Profit/(loss) from continuing operations	126	(688)
Total comprehensive income	<u>126</u>	<u>(688)</u>
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
At 1 January	106	795
Share of results of joint ventures	126	(577)
Currency translation differences	<u>3</u>	<u>2</u>
At 30 June	<u>235</u>	<u>220</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
<b>Included in current assets:</b>		
– Treasury investments and others	<u>14,463</u>	<u>15,968</u>
<b>Included in non-current assets:</b>		
– Listed equity securities <sup>1</sup>	<u>14,169</u>	<u>8,117</u>
– Unquoted equity investments <sup>2</sup>	<u>373,692</u>	<u>387,161</u>
	<u><b>387,861</b></u>	<u><b>395,278</b></u>

Notes:

- 1 Listed equity securities mainly comprised equity securities listed in the United States and Hong Kong.
- 2 Unquoted equity investments mainly comprised the following:
  - (i) an equity investment in Mfund, L.P., a private equity fund which is principally engaged in equity investments in mobile internet industry. Dividends of HK\$4,340,000 were received on this investment for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$14,555,000).
  - (ii) an equity investment in Griffin Gaming Partners, L.P., a private equity fund which focuses on the investment in gaming related companies worldwide.
  - (iii) equity investments in certain non-listed internet companies and several private equity funds which are principally engaged in investment holding of entities in the mobile internet, media, telecommunication and other innovative technologies sectors.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 13 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 3 months	<u>94,052</u>	<u>124,553</u>
Trade receivables, net of loss allowance	94,052	124,553
Other receivables	<u>37,767</u>	<u>59,099</u>
	<u><b>131,819</b></u>	<u><b>183,652</b></u>

Trade receivables were all from third-party customers. The Group's credit terms with its customers are generally from one to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 14 FUNDS RECEIVABLE

Funds receivable represent balances due from third-party payment service providers for the cash collected from users. The Group carefully considers and monitors the creditworthiness of the third-party payment service providers.

As at 30 June 2025, all the funds receivable were aged within three months and HK\$18,540,000 of loss allowance was provided for the funds receivable (31 December 2024: HK\$18,450,000).

## 15 RESTRICTED DEPOSITS

As at 30 June 2025, restricted deposits represent pledged deposits amounting HK\$16,520,000 (31 December 2024: HK\$16,306,000) for the credit limit of the credit card.

## 16 CASH AND CASH EQUIVALENTS

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Cash at bank and on hand	2,451,217	2,231,419
Deposits with other financial institutions	50,417	14,247
Cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated cash flow statement	<u>2,501,634</u>	<u>2,245,666</u>

Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control. As of the end of the reporting period, cash and cash equivalents situated in Chinese Mainland amounted to HK\$294,200,000 (31 December 2024: HK\$236,308,000).



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 17 ASSETS HELD FOR SALE

Assets held for sale mainly represent the interest in an associate which is planned to be sold in the next 12 months and are measured at the lower of its carrying amounts and fair values less costs to sell.

As at 31 December 2024, the carrying amount of assets held for sale was HK\$75,459,000, while the fair value less cost to sell was HK\$75,459,000. The fair value on which the recoverable amount is based is categorised as a level 3 measurement. These assets were sold during the six months ended 30 June 2025.

### 18 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 3 months	<u>460,998</u>	<u>516,848</u>
Total creditors	460,998	516,848
Salary and welfare payables	49,007	92,205
Other tax payables	39,949	41,827
Other payables and accruals	<u>188,412</u>	<u>137,925</u>
	<u><u>738,366</u></u>	<u><u>788,805</u></u>

The trade and other payables are non-interest bearing and are expected to be settled within three months or repayable on demand.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 19 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	At 30 June 2025		At 31 December 2024	
	Present		Present	
	value of the	Total	value of the	Total
	minimum	minimum	minimum	minimum
	lease	lease	lease	lease
	payments	payments	payments	payments
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
Within 1 year	41,388	42,206	51,989	52,990
After 1 year but within 2 years	14,399	15,305	24,966	26,499
After 2 years but within 5 years	810	868	6,957	7,685
	<u>15,209</u>	<u>16,173</u>	<u>31,923</u>	<u>34,184</u>
	<u>56,597</u>	<u>58,379</u>	<u>83,912</u>	<u>87,174</u>
Less: total future interest expenses		<u>1,782</u>		<u>3,262</u>
Present value of lease liabilities		<u>56,597</u>		<u>83,912</u>



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 20 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

(i) *Dividends payable to equity shareholders of the Company attributable to the interim period*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend declared after the interim period of HK8.3 cents (2024: HK8.5 cents) per ordinary share	96,456	99,810
Special dividend declared after the interim period of HK5.6 cents (2024: nil) per ordinary share	64,304	—
	<u>160,760</u>	<u>99,810</u>

The interim dividend and special dividend proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

(ii) *Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Second interim dividend in respect of the previous year, approved and paid during the following interim period of HK6.4 cents per ordinary share (six months ended 30 June 2024: nil)	<u>74,999</u>	<u>—</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

### (b) Share capital and reserves

As at 30 June 2025 and 31 December 2024, the authorised share capital of the Company comprises 2,000,000,000 ordinary shares with par value of US\$0.0000025 per share.

A summary of the transactions during the period in the Company's issued share capital is as follows:

	Number of shares issued and fully paid <sup>^</sup>	Issued capital HK\$' 000	Share premium HK\$' 000	Shares held for share award scheme HK\$' 000	Shares repurchased for cancellation HK\$' 000	Share repurchased for held as treasury share HK\$' 000
At 1 January 2025	1,174,311,599	23	–	(175,405)	–	(13,753)
Vesting of awarded shares	–	–	(3,160)	10,065	–	–
Share options exercised	1,249,000	–*	8,069	–	–	–
Repurchase of ordinary shares	–	–	–	–	–	(35,059)
Shares purchased for the share award scheme	–	–	–	(2,109)	–	–
At 30 June 2025	<u>1,175,560,599</u>	<u>23</u>	<u>4,909</u>	<u>(167,449)</u>	<u>–</u>	<u>(48,812)</u>
At 1 January 2024	1,186,638,599	23	–	(198,703)	(7,931)	–
Vesting of awarded shares	–	–	–	11,571	–	–
Repurchase of ordinary shares	–	–	–	–	(32,863)	–
Cancellation of ordinary shares	(12,402,000)	–	–	–	40,794	–
Shares purchased for the share award scheme	–	–	–	(5,434)	–	–
At 30 June 2024	<u>1,174,236,599</u>	<u>23</u>	<u>–</u>	<u>(192,566)</u>	<u>–</u>	<u>–</u>

\* This amount represents amount less than HK\$1,000.

<sup>^</sup> As at 30 June 2025, the total number of issued ordinary shares of the Company included 26,515,989 shares (31 December 2024: 27,537,280 shares) held under the share award scheme and 13,042,000 shares (31 December 2024: 3,707,000 shares) held as treasury shares.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

### (c) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, repurchase the Company's own shares or issue new shares. No change was made in the objectives, policies or processes for managing capital during the reporting period.

The Group monitors capital by regularly reviewing the gearing ratio, which is total liabilities, divided by total assets. Capital represents total equity shown in the consolidated statement of financial position.

The Group's gearing ratio at the end of the current and previous reporting periods was as follows:

	At 30 June 2025 HK\$' 000	At 31 December 2024 HK\$' 000
Total current liabilities	1,163,974	1,259,563
Total non-current liabilities	18,241	34,682
	<u>1,182,215</u>	<u>1,294,245</u>
Total current assets	2,981,411	2,872,376
Total non-current assets	1,631,939	1,546,280
	<u>4,613,350</u>	<u>4,418,656</u>
Gearing ratio	<u>25.6%</u>	<u>29.3%</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 21 SHARE-BASED PAYMENTS

### Share Option Scheme

The Company adopted a share option scheme (the “Share Option Scheme”), approved by the written resolution of all shareholders passed on 16 September 2013. Following the changes to the Listing Rules relating to Share Schemes of Listed Issuers, the Company terminated the Share Option Scheme, approved by way of an ordinary resolution of the annual general meeting of the Company held on 29 June 2023. In such event, no further options will be offered but the provision of the Share Option Scheme would remain in force and effect in all other respects. All options granted under the Share Option Scheme prior to such termination and not then exercised would continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

The following share options were outstanding and exercisable under the Share Option Scheme during the period:

	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Weighted average exercise price HK\$	Number of options	Weighted average exercise price HK\$	Number of options
Outstanding at the beginning of the period	4.11	4,113,000	4.08	4,635,000
Exercised during the period	3.90	(1,249,000)	—	—
Forfeited/lapsed during the period	3.90	(2,262,000)	—	—
Outstanding at the end of the period	5.31	<u>602,000</u>	4.08	<u>4,635,000</u>
Exercisable at the end of the period	5.31	<u>602,000</u>	4.08	<u>4,635,000</u>

As at 30 June 2025, the share options under the Share Option Scheme outstanding had a weighted average remaining contractual life of 4.51 years (31 December 2024: 0.52 years). The weighted average closing price of the Company’s shares at the date share options were exercised during the six months ended 30 June 2025 was HK\$4.32.

No share options were exercised during the six months ended 30 June 2024.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 21 SHARE-BASED PAYMENTS (Continued)

### Share Option Scheme (Continued)

The exercise prices and option periods of the share options outstanding as at the end of the reporting period are as follows:

At 30 June 2025	Exercise price	Grant date	Expiry date
Number of options	per share HK\$		
290,000	5.75	19 August 2019	18 August 2029
312,000	4.91	6 May 2020	5 May 2030
<u>602,000</u>			

The share options granted under the Share Option Scheme outstanding as at the end of the reporting period will vest in anniversary of grant date with each of 25% being vested annually. As at 30 June 2025, no share options (30 June 2024 : nil) have not been vested and were not exercisable.

Share options exercised under the Share Option Scheme during the six months ended 30 June 2025 resulted in the issuance of 1,249,000 (six months ended 30 June 2024: nil) ordinary shares of the Company and share premium of HK\$8,069,000 (six months ended 30 June 2024: nil), as further detailed in note 20(b) to the interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 21 SHARE-BASED PAYMENTS (Continued)

### Share Award Scheme

The share award scheme of the Company was adopted by the Board on 24 December 2013 and amended on 19 August 2021 and 28 March 2023 (effective date: 28 June 2023). The purpose of the share award scheme is to recognise the contributions by certain selected grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

Movements in the number of shares held for the share award scheme and awarded shares for the six months ended 30 June 2025 and 2024 are as follows:

	Number of shares held for the share award scheme not yet granted	Number of awarded shares granted but not yet vested	Total
At 1 January 2025	20,982,991	6,554,289	27,537,280
Purchased	559,000	—	559,000
Granted	(6,873,200)	6,873,200	—
Forfeited/lapsed	74,400	(74,400)	—
Vested	—	(1,580,291)	(1,580,291)
	<u>14,743,191</u>	<u>11,772,798</u>	<u>26,515,989</u>
At 30 June 2025			
Vested but not transferred as at 30 June 2025			<u>—</u>



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 21 SHARE-BASED PAYMENTS (Continued)

#### Share Award Scheme (Continued)

	Number of shares held for the share award scheme not yet granted	Number of awarded shares granted but not yet vested	Total
At 1 January 2024	21,662,000	8,722,167	30,384,167
Purchased	1,664,000	–	1,664,000
Granted	(1,303,850)	1,303,850	–
Forfeited/lapsed	48,492	(48,492)	–
Vested	–	(1,743,043)	(1,743,043)
At 30 June 2024	<u>22,070,642</u>	<u>8,234,482</u>	<u>30,305,124</u>
Vested but not transferred as at 30 June 2024			<u>–</u>

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

On 28 May 2025, the Group granted a total of 144,800 awarded shares, which will vest on 28 May 2026. The fair value of awarded shares granted was HK\$3.54 per share.

On 28 May 2025, the Group granted a total of 5,427,400 awarded shares, which will vest in anniversary of grant date with each of 50% being vested annually. The fair value of awarded shares granted was HK\$3.54 per share.

On 28 May 2025, the Group granted a total of 1,301,000 awarded shares, which will vest on the date of the annual general meeting of the Company to be convened in 2026. The fair value of awarded shares granted was HK\$3.54 per share.

The weighted average fair value of awarded shares granted during the six months ended 30 June 2025 was HK\$3.54 per share (six months ended 30 June 2024: HK\$3.21 per share).

The consideration paid by the Company, including any directly attributable incremental costs, is deducted from the Group's equity.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 21 SHARE-BASED PAYMENTS (Continued)

### Performance-based Share Award Scheme

The Company adopted a performance-based share award scheme on 21 May 2021, and the scheme was approved by the resolution of shareholders passed on 20 July 2021. The purpose of the performance-based share award scheme is to recognise the contributions by certain eligible persons.

Under the performance-based share award scheme, the Company grants up to 71,635,355 performance-based awarded shares to the grantees. The award shares will vest, in whole or in part, after 8.5 months to 56.5 months from the grant date, on condition that certain market performance criteria is met. The actual number of awarded shares to be vested to the grantees varies based on the growth rate of share price of the Company.

Movements in the number of awarded shares for the six months ended 30 June 2025 and 2024 are as follows:

	Number of awarded shares granted but not yet vested
At 1 January 2025	28,654,137
Forfeited/lapsed	<u>(14,327,072)</u>
At 30 June 2025	<u><u>14,327,065</u></u>
Vested but not transferred as at 30 June 2025	<u><u>—</u></u>



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 21 SHARE-BASED PAYMENTS (Continued)

### Performance-based Share Award Scheme (Continued)

	Number of awarded shares granted but not yet vested
At 1 January 2024	42,981,209
Forfeited/Lapsed	<u>(14,327,072)</u>
At 30 June 2024	<u>28,654,137</u>
Vested but not transferred as at 30 June 2024	<u>—</u>

As at 30 June 2025, there were no shares of the Company held for the performance-based share award scheme (31 December 2024: nil).

### Share Incentive Scheme

The Company adopted a share incentive scheme (the “Share Incentive Scheme”), approved by way of an ordinary resolution of the annual general meeting of the Company held on 29 June 2023 and subsequently amended by the Board on 26 March 2025.

As at 30 June 2025, there were no shares granted under the Share Incentive Scheme.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2025	Fair value measurements as at 30 June 2025 categorised into		
	HK\$' 000	Level 1 HK\$' 000	Level 2 HK\$' 000	Level 3 HK\$' 000
<b>Recurring fair value measurement</b>				
<i>Assets:</i>				
Treasury investments and others	14,463	14,463	–	–
Listed equity securities	14,169	14,169	–	–
Unquoted equity securities	373,692	–	–	373,692
<i>Liabilities:</i>				
Other financial liabilities	2,444	–	2,444	–



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### (a) Financial assets and liabilities measured at fair value (Continued)

#### (i) Fair value hierarchy (Continued)

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
	HK\$' 000	Level 1 HK\$' 000	Level 2 HK\$' 000	Level 3 HK\$' 000
<b>Recurring fair value measurement</b>				
<i>Assets:</i>				
Treasury investments and others	15,968	15,968	—	—
Listed equity securities	8,117	8,117	—	—
Unquoted equity securities	387,161	—	—	387,161
<i>Liabilities:</i>				
Other financial liabilities	1,638	—	1,638	—

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2024: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### (ii) Valuation techniques and inputs used in Level 2 fair value measurements

Other financial liabilities represent call options on stocks. The fair value of other financial liabilities in Level 2 is determined by discounting the difference between the strike price and the underlying asset price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period.

#### (iii) Information about Level 3 fair value measurements

The Group's financial team performs valuation on level 3 financial instruments for financial reporting purpose. The team performs valuation, or necessary updates at each interim and annual reporting date. The team adopts various valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts may also be involved and consulted when it is necessary.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### (a) Financial assets and liabilities measured at fair value (Continued)

#### (iii) Information about Level 3 fair value measurements (Continued)

Unquoted equity securities mainly represented investments in certain private equity funds and non-listed internet companies. The fair value of these private equity funds was mainly determined using the latest available financial information. The latest available financial information was adjusted by unobservable inputs such as the latest round financing of the funds' underlying investments, when applicable. The higher the price of the latest round financing for these underlying investments, the higher the fair value of the private equity funds would be.

And the fair value of non-listed internet companies was mainly determined using a market-based valuation model or the latest available financial information. The market-based valuation model requires the Group to determine comparable public companies based on industry, size, leverage and strategy, and to calculate enterprise value to revenue ("EV/Revenue") multiple for each comparable company identified. And the equity value of non-listed investments is calculated based on the multiple, revenue, surplus assets and surplus liability of non-listed investments and the discount for lack of marketability. The discount is used for considerations such as illiquidity between the comparable companies based on company-specific facts and circumstances. Below is a summary of quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Market-based valuation multiple	EV/Revenue multiple of comparable companies	30 June 2025: 5.3 (31 December 2024: 4.0)	30 June 2025: 5% increase/decrease in multiple would result in increase/decrease in fair value by HK\$2,518,000/HK\$2,518,000 (31 December 2024: HK\$2,380,000/HK\$2,380,000)
	Discount for lack of marketability ("DLOM")	30 June 2025: 25% (31 December 2024: 25%)	30 June 2025: 5% increase/decrease in DLOM would result in decrease/increase in fair value by HK\$994,000/HK\$994,000 (31 December 2024: HK\$979,000/HK\$979,000)



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

#### (a) Financial assets and liabilities measured at fair value (Continued)

##### (iii) Information about Level 3 fair value measurements (Continued)

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	Six months ended 30 June	
	2025 HK\$' 000	2024 HK\$' 000
<b>Unquoted equity securities:</b>		
At 1 January	387,161	468,838
Additional investments acquired	2,291	–
Net unrealised losses recognised in profit or loss during the period	(14,258)	(46,159)
Disposal	(6,207)	–
Exchange adjustments	4,705	(1,158)
At 30 June	<u>373,692</u>	<u>421,521</u>
Total losses for the period included in profit or loss for assets held at the end of the reporting period	<u>(14,258)</u>	<u>(46,159)</u>

#### (b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 30 June 2025.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 23 COMMITMENTS

Capital commitments outstanding at 30 June 2025 not provided for in the interim financial report were as follows:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
<b>Contracted for:</b>		
Construction of self-use office building	–	41,970
Investment contracts	18,053	3,726
Purchase of equipment	–	1,088
	<u>18,053</u>	<u>46,784</u>

## 24 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	14,800	13,042
Equity-settled share-based payment	371	4,745
	<u>15,171</u>	<u>17,787</u>

Total remuneration is included in “staff costs” (see note 5(a)).

### (b) Other transactions with related parties

For the six months ended 30 June 2025 and 2024, the Group did not have any material transactions or outstanding balances with related parties.



## DEFINITION

“2023 AGM”	the annual general meeting of the Company held on 29 June 2023
“Board” or “Board of Directors”	the board of Directors of the Company
“Business Day(s)”	a day on which banks in Hong Kong and the Cayman Islands are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong or the Cayman Islands
“BVI”	British Virgin Islands
“China” or “PRC”	the People’s Republic of China, for the purpose of this interim report, excluding Hong Kong, Macau and Taiwan
“Company”	IGG Inc, an exempted company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules
“Corporate Governance Code”	corporate governance code contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Duke Online”	Duke Online Holdings Limited, an exempted company incorporated under the laws of the BVI on 10 September 2007 with limited liability, the entire issued share capital of which is owned by Mr. Zongjian Cai
“Edmond Online”	Edmond Online Holdings Limited, an exempted company incorporated under the laws of the BVI on 10 September 2007 with limited liability, the entire issued share capital of which is owned by Mr. Yuan Chi
“Founders”	Mr. Zongjian Cai (蔡宗建) and Mr. Yuan Chi (池元)

## DEFINITION

“Fuzhou Tianji”	Fuzhou TJ Digital Entertainment Co., Ltd.* (福州天極數碼有限公司), a limited liability company established under the laws of the PRC on 15 November 2007, a wholly-owned subsidiary of the Company
“Fuzhou Tianmeng”	Fuzhou Skyunion Digital Co., Ltd* (福州天盟數碼有限公司), a limited liability company established under the laws of the PRC on 12 December 2006, which is owned as to 50% by Mr. Deyang Zheng and 50% by Mr. Chengfeng Luo, respectively
“Fuzhou Tianmeng Registered Holders”	Mr. Deyang Zheng (鄭德陽) and Mr. Chengfeng Luo (羅承鋒)
“Fuzhou Tianmeng Structured Contracts”	a series of contracts which include the New Call Option Agreement, the New Exclusive Technical Consulting Service Agreement, the New Equity Pledge Agreement, the New Power of Attorney, the New Online Game Licensing Agreement and the Spouse Undertakings
“Fuzhou Tianping”	Fuzhou Tianping Digital Technology Co., Ltd.* (福州天平數碼科技有限公司), a limited liability company established under the laws of the PRC on 21 February 2020, a wholly-owned subsidiary of the Company
“Group”, “IGG”, “we”, “our” or “us”	the Company and its subsidiaries
“Hainan Tianzhi”	Hainan Tianzhi Network Technology Co., Ltd* (海南天志網絡科技有限公司), a limited liability company established under the laws of the PRC on 28 August 2020, a wholly-owned subsidiary of the Company
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“ICP License”	a value-added telecommunications business operation license with a service scope of information services of category 2 value-added telecommunication services
“IGG Singapore”	IGG Singapore Pte. Ltd., a company incorporated under the laws of Singapore on 30 June 2009, a wholly-owned subsidiary of the Company

\* For identification purpose only



## DEFINITION

“Independent Third Party(ies)”	individual(s) or company(ies) who is/are not connected with (within the meaning of the Listing Rules) any of the Company, Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“IP”	Intellectual Property
“Land”	a piece of land located at eastern side of Fuguang Road, southern side of Hutang Road, old housing reconstruction project land lot no. 2 at Hutang Village and surrounding area, Jin’an District, Fuzhou, the PRC (Land Lot No. 2020-44 (2020-44 號)), with a total site area of approximately 8,910 square metres, designated for business and commercial use with a term of land use rights of 40 years, the land use rights of which were acquired by Fuzhou Tianping pursuant to the State-owned Construction Land Use Rights Assignment Contract (國有建設用地使用權出讓合同) entered into between Fuzhou Tianping and Fuzhou Natural Resources and Planning Bureau on 15 September 2020
“Listing”	the listing of the Shares on the GEM of the Stock Exchange
“Listing Date”	18 October 2013, on which dealings in Shares first commenced on the GEM of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the required standard of dealings for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
“Performance-based Awarded Shares”	such number of Shares awarded by the Board pursuant to the Performance-based Share Award Scheme
“Performance-based Share Award Scheme”	the performance-based share award scheme adopted by the Company on 21 May 2021, the principal terms of which are summarised in the announcement and circular of the Company dated 21 May 2021 and 28 June 2021, respectively
“Period”	the six months ended 30 June 2025

## DEFINITION

“Previous Structured Contracts”	a series of contracts (as supplemented) which include the Call Option Agreement, the Exclusive Technical Consulting Service Agreement, the Equity Pledge Agreement, the Power of Attorney and the Online Game Licensing Agreement, details of which are set out on Page 84 to Page 85 of the 2018 Annual Report of the Company
“Prospectus”	the prospectus of the Company dated 11 October 2013
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“SGD”	Singapore dollar, the lawful currency of Singapore
“Share(s)”	the ordinary share(s) of US\$0.0000025 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 24 December 2013 and amended on 19 August 2021 and 28 March 2023 (effective date: 28 June 2023), the principal terms of which are summarised in the announcements of the Company dated 24 December 2013, 19 August 2021 and 28 March 2023
“Share Incentive Scheme”	the share incentive scheme adopted by the Company on 29 June 2023 and amended on 26 March 2025, the principal terms of which are summarised in the circular and announcement of the Company dated 28 April 2023 and 26 March 2025, respectively
“Shareholder(s)”	the shareholder(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 16 September 2013 and subsequently terminated with effect from 29 June 2023, the principal terms of which are summarised under the paragraph headed “Share Option Scheme” in Appendix IV to the Prospectus
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Contracts”	the Fuzhou Tianmeng Structured Contracts and the Xinhan Liaokuo Structured Contracts



## DEFINITION

“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Treasury Shares”	has the meaning ascribed thereto in the Listing Rules
“Xinhan Liaokuo”	Hainan Xinhan Liaokuo Network Technology Co., Ltd.* (海南新瀚遼闊網絡科技有限公司), a limited liability company established under the laws of the PRC on 29 September 2020, which is owned as to 50% by Mr. Deyang Zheng and 50% by Mr. Chengfeng Luo, respectively
“Xinhan Liaokuo Registered Holders”	Mr. Deyang Zheng (鄭德陽) and Mr. Chengfeng Luo (羅承鋒)
“Xinhan Liaokuo Structured Contracts”	a series of contracts which include the Xinhan Liaokuo Call Option Agreement, the Xinhan Liaokuo Exclusive Technical Consulting Service Agreement, the Xinhan Liaokuo Equity Pledge Agreement, the Second Power of Attorney, the Xinhan Liaokuo Online Game Licensing Agreement and the Second Spouse Undertakings
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

*If there is any inconsistency between the English and Chinese texts of this report, the English text of this report shall prevail over the Chinese text.*

\* For identification purpose only