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SINO-ENTERTAINMENT TECHNOLOGY HOLDINGS LIMITED

新娛科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6933)

2024 ANNUAL RESULTS ANNOUNCEMENT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	4	44,664	8,998
Cost of sales		<u>(42,873)</u>	<u>(23,372)</u>
Gross profit (loss)		1,791	(14,374)
Other income	6	3,176	3,467
Other gains and losses, net	7	(110)	619
Administrative expenses		(35,518)	(28,273)
Reversal of impairment loss (impairment losses recognised) under expected credit loss model, net		26,932	(34,070)
Impairment loss recognised in respect of intangible assets		(7,290)	(12,546)
Impairment loss recognised in respect of down payments to game publishers — non-refundable		—	(810)
Finance costs	8	(845)	(1,673)
Research and development expenses	10	<u>(14,765)</u>	<u>(14,416)</u>
Loss before tax	10	(26,629)	(102,076)
Income tax expense	9	<u>(2,439)</u>	<u>(2,535)</u>
Loss for the year		<u>(29,068)</u>	<u>(104,611)</u>

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other comprehensive income for the year, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>1,206</u>	<u>1,409</u>
Total comprehensive expenses for the year		<u>(27,862)</u>	<u>(103,202)</u>
Loss for the year attributable to:			
— Owners of the Company		<u>(27,891)</u>	<u>(103,378)</u>
— Non-controlling interests		<u>(1,177)</u>	<u>(1,233)</u>
		<u>(29,068)</u>	<u>(104,611)</u>
Total comprehensive expenses attributable to:			
— Owners of the Company		<u>(26,903)</u>	<u>(102,225)</u>
— Non-controlling interests		<u>(959)</u>	<u>(977)</u>
		<u>(27,862)</u>	<u>(103,202)</u>
Loss per share	<i>12</i>		
— Basic (RMB cents)		<u>(6.89)</u>	<u>(25.75)</u>
— Diluted (RMB cents)		<u>(6.89)</u>	<u>(25.75)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>NOTES</i>	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property and equipment		13	13
Right-of-use assets		—	14
Intangible assets		18,151	12,449
Deferred tax assets		3,150	5,589
		<u>21,314</u>	<u>18,065</u>
CURRENT ASSETS			
Cryptocurrencies		4	3
Trade and other receivables	13	49,516	32,634
Financial assets at fair value through profit or loss (“FVTPL”)		—	8,138
Cash and cash equivalents		29,715	79,569
		<u>79,235</u>	<u>120,344</u>
CURRENT LIABILITIES			
Trade and other payables	14	6,234	6,906
Lease liabilities		—	15
Loans from a non-controlling interest		—	23,257
Tax liabilities		3,519	3,519
		<u>9,753</u>	<u>33,697</u>
NET CURRENT ASSETS		<u>69,482</u>	<u>86,647</u>
NET ASSETS		<u>90,796</u>	<u>104,712</u>
CAPITAL AND RESERVES			
Share capital		285	285
Reserves		84,467	97,424
Equity attributable to owners of the Company		84,752	97,709
Non-controlling interests		6,044	7,003
TOTAL EQUITY		<u>90,796</u>	<u>104,712</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL

Sino-Entertainment Technology Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 of the Cayman Islands on 18 April 2018 by eleven citizens of the People’s Republic of China (the “**PRC**”) (the “**Registered Shareholders**”) through setting up wholly-owned companies incorporated in the British Virgin Islands (“**BVI**”). The address of the registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of the principal place of business of the Company in Hong Kong is Suite No. 2, 3/F Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in publishing and development of mobile games (the “**Listing Business**”) in the PRC and blockchain technology business. The operations of the Listing Business are conducted by Luocheng Mulao Autonomous County Dinglian Technology Company Limited (“**Dinglian Technology**”) and its subsidiaries (the “**Operating Entities**”) while Dinglian Technology is legally owned by the Registered Shareholders.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 July 2020.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to Hong Kong Accounting Standards (“HKAS”) 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments³</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards — Volume 11³</i>
Amendments to HKAS 21	<i>Lack of Exchangeability²</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements⁴</i>

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned in the consolidated financial statements, the directors of the Company (the “**Directors**”) anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

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

4. REVENUE

Disaggregation of revenue from contracts with customers

For the year ended 31 December 2024

	Publishing of third parties games <i>RMB'000</i>	Development and sales of games <i>RMB'000</i>	Provision of digital services with blockchain technology <i>RMB'000</i>	Total <i>RMB'000</i>
Geographical markets				
Hong Kong	—	—	—	—
The PRC	30,513	14,151	—	44,664
Total	30,513	14,151	—	44,664
Time of revenue recognition				
A point in time	—	14,151	—	14,151
Over time	30,513	—	—	30,513
Total	30,513	14,151	—	44,664

For the year ended 31 December 2023

	Publishing of third parties games <i>RMB'000</i>	Development and sales of games <i>RMB'000</i>	Provision of digital services with blockchain technology <i>RMB'000</i>	Total <i>RMB'000</i>
Geographical markets				
Hong Kong	—	—	87	87
The PRC	8,015	896	—	8,911
Total	8,015	896	87	8,998
Time of revenue recognition				
A point in time	—	896	87	983
Over time	8,015	—	—	8,015
Total	8,015	896	87	8,998

5. OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Mr. Sui Jiaheng, an executive director and the Chairman of the Company, and Mr. Li Tao, an executive director and the chief executive officer of the Company, being the chief operating decision makers (the “CODM”), in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segments* are as follows:

- (i) Mobile game business: publishing and development of mobile games in the PRC.
- (ii) Blockchain technology business: provision of digital services to liquidity pools operating on blockchain protocols within cryptocurrency networks.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2024

	Mobile game business <i>RMB'000</i>	Blockchain technology business <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	44,664	—	44,664
Segment results	(10,817)	1,531	(9,286)
Unallocated other gains or losses			(110)
Unallocated corporate expenses			(17,233)
Loss before tax			(26,629)

For the year ended 31 December 2023

	Mobile game business <i>RMB'000</i>	Blockchain technology business <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	8,911	87	8,998
Segment results	(92,187)	(610)	(92,797)
Unallocated other gains or losses			691
Unallocated other income			3,357
Unallocated corporate expenses			(13,327)
Loss before tax			(102,076)

6. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Government grant	90	107
Value-added tax refund	26	3
Interest income from cash and cash equivalents	3,056	3,357
Others	4	—
	<u>3,176</u>	<u>3,467</u>

7. OTHER GAINS AND LOSSES, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net foreign exchange (loss) gain	(172)	218
Fair value gain of financial assets at FVTPL	62	401
	<u>(110)</u>	<u>619</u>

8. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interests on lease liabilities	—	3
Interests on bank borrowings	—	306
Interests on loans from a non-controlling interest	845	1,364
	<u>845</u>	<u>1,673</u>

9. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	—	—
Over-provision in prior years:		
PRC EIT	—	(29)
Deferred tax		
Current year	<u>2,439</u>	<u>2,564</u>
Income tax expense	<u><u>2,439</u></u>	<u><u>2,535</u></u>

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Staff cost		
Directors' and chief executive's emoluments	2,300	1,932
Other staff cost	2,760	2,848
Retirement benefit scheme contributions for other staff	351	341
Share-based payments for other staff	12,799	8,577
	<u>18,210</u>	<u>13,698</u>
Total staff cost	<u>18,210</u>	<u>13,698</u>
Depreciation and amortisation		
Depreciation of property and equipment	—	1
Depreciation of right-of-use assets	14	83
Amortisation of intangible assets	5,230	5,140
	<u>5,244</u>	<u>5,224</u>
Total depreciation and amortisation	<u>5,244</u>	<u>5,224</u>
Auditors' remuneration		
— Audit service	1,080	1,170
— Non-audit service	238	423
Research and development expenses	14,765	14,416
Legal and professional fees	2,076	3,830
	<u>2,076</u>	<u>3,830</u>

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(27,891)</u>	<u>(103,378)</u>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share (<i>Note a</i>)	404,700	401,506
Effect of dilutive potential ordinary shares:		
Effect of share awarded under share award scheme	<u>2,835</u>	<u>7,770</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>407,535</u>	<u>409,276</u>

Notes:

- (a) The calculation of weighted average number of ordinary shares exclude approximately 5,505,000 ordinary shares (2023: 10,440,000 ordinary shares) held under the share award scheme for the year ended 31 December 2024.
- (b) The computation of diluted loss per share for the years ended 31 December 2024 and 31 December 2023 did not assume the vesting of awarded shares since it would result in a decrease in loss per share for the year which was regarded as anti-dilutive.

13. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables — contracts with customers	57,357	64,333
Less: Allowance for credit losses	<u>(19,449)</u>	<u>(48,807)</u>
Trade receivables, net (<i>Note</i>)	<u>37,908</u>	<u>15,526</u>
Down payments to game publishers — refundable	18,022	21,444
Less: Allowance for credit losses	<u>(18,022)</u>	<u>(20,477)</u>
Down payments to game publishers — refundable, net	<u>—</u>	<u>967</u>
Other receivables	5,970	5,970
Less: Allowance for credit losses	<u>(5,970)</u>	<u>(5,970)</u>
Other receivables, net	<u>—</u>	<u>—</u>
Advances to suppliers	3,035	6,214
Deposits	99	2,278
Value-added tax recoverable	<u>8,474</u>	<u>7,649</u>
Other receivables and deposits, net	<u>11,608</u>	<u>17,108</u>
Trade and other receivables, net	<u><u>49,516</u></u>	<u><u>32,634</u></u>

Note:

The Group allows a credit period of 90 to 360 days (2023: 90 to 180 days) to its trade customers.

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the date of delivery of goods or monthly statements issued, at the end of the reporting periods:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 90 days	7,271	4,102
91 to 180 days	7,479	—
181 to 365 days	18,978	—
Over one year	4,180	11,424
	<u>37,908</u>	<u>11,424</u>
	<u>37,908</u>	<u>15,526</u>

14. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	4,495	5,889
Other tax payables	22	50
Payroll and welfare payables	319	255
Accrued expenses	1,332	647
Others	66	65
	<u>6,234</u>	<u>6,906</u>
	<u>6,234</u>	<u>6,906</u>

The credit period on services provided by suppliers is generally from 30 to 90 days.

The following is an aged analysis of trade payables presented based on the receipt of services or monthly statements issued at the end of the reporting period.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	1,170	5,878
31 to 60 days	1,669	—
61 to 90 days	1,322	—
91 to 180 days	334	—
Over 180 days	—	11
	<hr/>	<hr/>
	4,495	5,889
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an integrated game publisher and developer with a focus on publishing mobile games in the market of mainland China. We are committed to bringing quality and interactive gameplay experience to game players by drawing upon our experience and expertise in the mobile game industry together with our sound understanding with our publishing partners and game players gained over the years of our operations. The Group also engages in the blockchain technology business outside the mainland China.

BUSINESS REVIEW

For the year ended 31 December 2024 (the “**Year**”), the total revenue of the Group increased by 396.4% from that of approximately RMB8,998,000 last year to approximately RMB44,664,000.

The Group recorded a loss for the year attributable to owners of the Company of approximately RMB27,891,000 for the Year, representing a reduction of approximately 73.0% as compared with that of approximately RMB103,378,000 for the year ended 31 December 2023. Such reduction in loss was mainly attributable to the combined results of: (i) the increase in revenue from co-publishing of third-party games and revenue from the development and sales of games, (ii) the reversal of impairment losses under expected credit loss model previously recognised, and (iii) the increase in administrative expenses as a result of the increases in amortisation of intangible assets, and expenses on share-based payments.

In September 2024, the Group and an independent third party entered into a subscription agreement, pursuant to which the Group and the independent third party would hold 51% and 49% equity interest in a subsidiary of the Group respectively after the subscription. The subsidiary will be principally engaged in developing and providing technical support for mobile app on SocialFi with blockchain technology. SocialFi is a new concept combining social media and decentralized finance which allows everyone to earn benefits while participating in social media interactions. As at the date of this results announcement, the core source code of the framework modules of the SocialFi mobile app has been developed.

OUTLOOK

As the National Press and Publication Administration (“**NPPA**”) has restarted to grant new game licence approvals since April 2022, and the number of new game licences being approved in each batch tends to be more stable, the industry is recovering and it is high likely that the Group could also obtain new game licences in the future, including the licences for the Group’s two game products of which licence applications have been submitted to the NPPA for approval. The Group would adhere to the prevailing applicable policies and review the Group’s business strategy regularly to capture business opportunities in the PRC and abroad. The Group shall also continue to work with the independent third party with an aim to launch the SocialFi mobile app as soon as practicable. For the time being, it is expected that the SocialFi mobile app will be ready to be launched by the third quarter of 2025.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Year was approximately RMB44,664,000, representing an increase of approximately 396.4% from that of approximately RMB8,998,000 for the year ended 31 December 2023.

Revenue performances in different business segments for the Year were further analysed below:

Publishing self-developed games

For the Year, the Group did not have any revenue from publishing self-developed games (for the year ended 31 December 2023: nil).

Publishing third-party games

For the Year, the Group as a co-publisher provided publishing services for 24 third-party games (for the year ended 31 December 2023: 14 third-party games), contributing co-publishing revenue of approximately RMB30,513,000 (for the year ended 31 December 2023: approximately RMB8,015,000).

Development and sales of games

For the Year, the Group generated revenue of approximately RMB14,151,000 from the development and sales of games (for the year ended 31 December 2023: approximately RMB896,000).

Provision of digital services with blockchain technology

For the Year, the Group did not have any revenue from blockchain technology business outside the mainland China (for the year ended 31 December 2023: approximately RMB87,000).

Gross Profit

Gross profit for the Year was approximately RMB1,791,000 (for the year ended 31 December 2023: gross loss of approximately RMB14,374,000). Gross profit for the Year was mainly the result of increase in revenue from co-publishing of third-party games and revenue from the development and sales of games.

Other income

Other income for the Year was approximately RMB3,176,000, representing a decrease of approximately 8.39% as compared with that of approximately RMB3,467,000 for the year ended 31 December 2023, which was mainly due to the decrease in government grant and interest income.

Other gains and losses, net

Other losses for the Year were approximately RMB110,000 (for the year ended 31 December 2023: other gains of approximately RMB619,000). Such losses mainly consisted of net foreign exchange loss, the extent of which was reduced by the fair value gain of financial assets at fair value through profit or loss.

Staff Costs

Staff costs comprised mainly salaries, wages and other staff benefits. The Group's staff costs for the Year amounted to approximately RMB18,210,000 (for the year ended 31 December 2023: approximately RMB13,698,000). The increase in staff costs was mainly due to the increase in expenses on share-based payments.

Impairment losses on trade and other receivables

Impairment assessment under Expected Credit Loss (“ECL”) model on trade receivables is performed. Except for significant or credit-impaired balances as a result of their long aging past due, which are assessed for impairment individually, the remaining trade receivables are grouped under a provision matrix by debtors internal credit rating and the historical observed default rates adjusted by forward-looking estimates. For the Year, reversal of impairment loss on trade receivables under the ECL model, net of impairment loss, of approximately RMB26,932,000 (2023: impairment loss, net of reversal, of approximately RMB23,443,000) was recognised. For other receivables, the Directors make periodic individual assessment on their recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group did not provide impairment loss on other receivables under the ECL model during the Year (2023: impairment loss of approximately RMB10,627,000).

Administrative Expenses

Administrative expenses comprised mainly consumables costs, depreciation and auditors' remuneration. The Group's administrative expenses for the Year amounted to approximately RMB35,518,000 (for the year ended 31 December 2023: approximately RMB28,273,000). The increase in administrative expenses was mainly due to increase in expenses on share-based payments.

Taxation

For the Year, income tax expense was approximately RMB2,439,000 (for the year ended 31 December 2023: approximately RMB2,535,000).

Loss for the Year

The Group's loss for the Year attributable to owners of the Company amounted to approximately RMB27,891,000 (for the year ended 31 December 2023: approximately RMB103,378,000). The decrease in the loss for the Year was mainly attributable to the combined results of: (i) the increase in revenue from co-publishing of third-party games and revenue from the development and sales of games, (ii) the reversal of impairment losses under expected credit loss model previously recognised, and (iii) the increase in administrative expenses as a result of the increase in amortisation of intangible assets, and expenses on share-based payments.

Liquidity and Financial Resources

During the Year, the Group funds its operations mainly with cash generated from its operations. As at 31 December 2024, the Group's net current assets was approximately RMB69,482,000 (31 December 2023: approximately RMB86,647,000), while the Group's cash and cash equivalents as at 31 December 2024 was approximately RMB29,715,000 (for the year ended 31 December 2023: approximately RMB79,569,000).

As at 31 December 2024, the Group did not have any bank borrowings (31 December 2023: nil).

Gearing ratio is calculated by dividing total debts by total equity as at the end of the year. The Group's gearing ratio as at 31 December 2024 was approximately 10.74% (31 December 2023: 32.2%).

Credit Risk

The Group uses provision matrix to calculate ECL for trade receivables and calculates the ECL for other receivables by grouping the counterparties with similar nature under general approach. The provision of ECL is sensitive to changes in estimates. Significant credit-impaired receivables are identified and assessed individually; the remaining debtors are grouped into different categories and the basis of expected loss rates in each category is determined with reference to historical default rates and forward-looking information. Impairment losses for the Year are recognised as a result of the expected loss assessment, which has considered the expected timing of collection and the quality of debtors, including their credit worthiness and repayment history.

Currency Risk

The functional currency of the Group's operating subsidiaries is Renminbi as substantially the Group's revenue is in Renminbi. The Group has foreign currency bank balances, and loans from a non-controlling interest which expose the Group to foreign currency risk. Currently, the Group does not have any hedging policy for foreign currencies. Nevertheless, the Group's management will continue to monitor the foreign currency risk and will consider hedging significant foreign currency risk when necessary.

Capital Commitments

As at 31 December 2024, the unpaid registered capital for the subsidiaries amounted to approximately RMB39,896,000 (2023: approximately RMB67,200,000). The Group did not have other material capital commitments (31 December 2023: nil).

Pledged Assets and Contingent Liabilities of the Group

At 31 December 2024, the Group had no pledged bank deposits (2023: nil). At 31 December 2024, the Group had no pledged assets (2023: nil).

As at 31 December 2024, the Group did not have any contingent liabilities (31 December 2023: nil).

Capital Structure

The Group's capital structure has remained unchanged during the Year. The Group's capital structure comprises equity attributable to owners of the Company (including issued share capital and reserves). The Board reviews the Group's capital structure on a regular basis. As part of the review, the Board has considered the costs of capital and risks relating to various types of capital.

Significant Acquisitions and Disposals

Save as the deemed disposal of the equity interest in the subsidiary of the Group as disclosed in the announcements of the Company dated 23 August 2024 and 10 September 2024, the Group did not have any significant acquisitions and disposals relating to subsidiaries, associates and joint ventures during the Year.

Significant Investments

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

Employees and Remuneration Policy

As of 31 December 2024, the Group employed 27 (31 December 2023: 28) employees. Employees' remunerations are determined with reference to factors such as qualifications, duties, contributions and experience.

The Group also provides internal training to employees when necessary and other staff benefits which include share option scheme and share award plan.

CORPORATE GOVERNANCE

The Company has adopted and complied with all the code provisions of the Corporate Governance Code as set out in the Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the year ended 31 December 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding Directors' securities transactions on the terms and the required standard as set out in the Model Code for Securities transacting by Directors of the listed issuers (the "**Model Code**") in Appendix C3 to the Listing Rules. The Group has made specific enquiries of all the Directors and they have confirmed that they have been complying with the requirements under the Model Code throughout the Year. As far as the Group is aware, none of the Directors has breached the requirements under the Model Code.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

DIVIDEND

The Board does not recommend any distribution of final dividend for the Year (2023: nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, the Company has complied with relevant laws and regulations in the Cayman Islands, Hong Kong and the PRC and was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Group.

EVENTS AFTER END OF REPORTING PERIOD

On 12 February 2025, Sino-Entertainment (HK) International Holdings Limited, a wholly-owned subsidiary of the Group, Time Entertainment International Limited (“**Time Entertainment**”), a non-wholly owned subsidiary of the Group, and Time Is Money Co., Limited (“**TIMCL**”), a non-controlling interest of Time Entertainment, entered into a shareholders' agreement to govern, among other things, the relationship between Sino-Entertainment (HK) International Holdings Limited and TIMCL as shareholders of Time Entertainment and the commitment by each of Sino-Entertainment (HK) International Holdings Limited and TIMCL to Time Entertainment. Pursuant to the shareholders' agreement, Sino-Entertainment (HK) International Holdings Limited shall inject capital in the amount of HK\$20.0 million into Time Entertainment, and TIMCL shall procure the transfer of core source code of the SocialFi mobile app developed by TIMCL and other relevant intellectual properties related to SocialFi mobile app to Time Entertainment, which constituted an acquisition through contribution in kind for the Group. Details of the acquisition have been disclosed in the Company's announcements dated 12 and 28 February 2025 and circular dated 21 March 2025. The transaction has not yet been completed up to the date of this results announcement.

On 21 March 2025, in view of the amended Chapter 17 of the Listing Rules (“**Amended Rules**”), the Board proposed to terminate (i) the 2020 Share Option Scheme (the existing share option scheme adopted by the Company on 19 June 2020) and (ii) the 2021 Share Award Plan (the existing share award plan adopted by the Company on 15 April 2021 as amended on 8 December 2021), and adopt the New Share Scheme for the purpose of conforming to the latest changes and requirements under the Amended Rules. Accordingly, the termination of the 2020 Share Option Scheme and the 2021 Share Award Plan, and adoption of the New Share Scheme are subject to the shareholders' approval at the extraordinary general meeting of the Company to be held on 9 April 2025. Details of the proposals have been disclosed in the Company's Circular dated 21 March 2025.

Save as disclosed above, there is no significant event affecting the Group that had occurred since the end of the Year up to the date of this results announcement.

AUDIT COMMITTEE

The Board has complied with the provisions of the CG Code, and that the audit committee of the Company (the “**Audit Committee**”) was established on 15 July 2020. Pursuant to Rule 3.21 of the Listing Rules, the Audit Committee consists of three independent non-executive Directors, namely Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan. Ms. Pang Xia is the chairlady of the Audit Committee and has experience in accounting and financial management as stipulated in the Listing Rules. For the financial year ended 31 December 2024, the Audit Committee has performed its main duties, including (1) review and advise on the Group’s annual and half-yearly reports and results announcements, the relevant accounting principles and practices adopted by the Group; (2) review the risk management and internal control procedures adopted by the Group; (3) review the effectiveness of the internal audit function and provide suggestions and comments thereon; and (4) ensure that the Directors and staff have complied with the corporate governance practices and code of conducts of the Group.

ANNUAL GENERAL MEETING

The annual general meeting (“**AGM**”) of the Company will be held on 17 June 2025 at 3:00 p.m. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 12 June 2025 to 17 June 2025, both days inclusive for the entitlement to attend the AGM, during such period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road Hong Kong, not later than 4:30 p.m. on 11 June 2025.

REVIEW OF FINANCIAL STATEMENTS AND SCOPE OF WORK OF THE AUDITOR

The Group’s audited financial statements for the year ended 31 December 2024 have been reviewed by the Audit Committee, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Group’s Auditor, Asian Alliance (HK) CPA Limited (“**Asian Alliance**”), to the amounts set out in the Group’s consolidated financial statements for the Year. The work performed by Asian Alliance in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance on this results announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange and the Company. The 2024 Annual Report and Notice of AGM of the Company will be despatched to the shareholders of the Company according to the manner in which they have elected to receive corporate communications of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Sino-Entertainment Technology Holdings Limited
Sui Jiaheng
Chairman and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Mr. Sui Jiaheng and Mr. Li Tao; the non-executive Director is Mr. He Shaoning; and the independent non-executive Directors are Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan.