



Jiu Zun Digital Interactive Entertainment Group Holdings Limited
九尊數字互娛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1961



Interim Report

2021

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. LU Jian (*Chairman*)

Mr. LIANG Junhua

Non-executive Directors

Ms. SU Shaoping

Mr. TSUI Wing Tak

Independent non-executive Directors

Mr. ZHAO Junfeng

Mr. ZHUANG Wensheng

Ms. SONG Yi

AUDIT COMMITTEE

Mr. ZHAO Junfeng (*Chairman*)

Mr. ZHUANG Wensheng

Ms. SONG Yi

REMUNERATION COMMITTEE

Mr. ZHUANG Wensheng (*Chairman*)

Mr. ZHAO Junfeng

Ms. SONG Yi

NOMINATION COMMITTEE

Mr. LU Jian (*Chairman*)

Mr. ZHAO Junfeng

Mr. ZHUANG Wensheng

AUTHORIZED REPRESENTATIVES

Mr. LIANG Junhua

Mr. TSUI Wing Tak

COMPANY SECRETARY

Mr. TSUI Wing Tak

COMPLIANCE ADVISER

Lego Corporate Finance Limited

Room 1601, 16/F

China Building

29 Queen's Road Central

Central

Hong Kong

AUDITORS

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive, PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room B102, 1st Floor,

Dongcheng Building,

58 Jianzhong Road,

Tianhe District

Guangzhou

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F, Tower 1

Admiralty Centre

18 Harcourt Road

Admiralty

Hong Kong

Corporate Information *(continued)*

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

China Merchants Bank (Guangzhou Huangpu Avenue Branch)

5/F, Unicom New Space Time Plaza
No. 666 West Huangpu Road
Guangzhou
PRC

COMPANY'S WEBSITE

www.jiuzundigital.com

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

1961

Financial Highlights

RESULTS

	Six months ended 30 June		
	2021 RMB'000	2020 RMB'000	Change %
Revenue	31,201	99,809	-68.7
Gross profit	8,339	30,912	-73.0
Profit/(loss) for the period	(17,132)	7,212	-337.5

ASSETS AND LIABILITIES

	As at 30 June 2021 RMB'000	As at 31 December 2020 RMB'000	Change %
Assets			
Non-current assets	70,302	74,162	-5.2
Current assets	165,180	181,007	-8.7
Total assets	235,482	255,169	-7.7
Equity and liabilities			
Total equity	211,379	226,262	-6.6
Non-current liabilities	3,108	2,164	+43.6
Current liabilities	20,995	26,743	-21.5
Total liabilities	24,103	28,907	-16.6
Total equity and liabilities	235,482	255,169	-7.7

Chairman's Statement

Dear Shareholders,

On behalf of the Board of the Company, I am pleased to present the interim report of the Group for the six months ended 30 June 2021 (the "**First Half 2021**").

OVERVIEW

We are a digital entertainment content provider in People's Republic of China (the "**PRC**") with a diversified content portfolio comprising (i) mobile games mainly played on Android operating system; and (ii) e-magazines, majority of our revenue was derived from the sale of virtual items in our multi-player mobile games, which is in line with business strategy of the Group as disclosed in the annual report of the Company for the year ended 31 December 2020 (the "**2020 Annual Report**").

RESULTS

The Group's revenue decreased by approximately RMB68.6 million or 68.7% from approximately RMB99.8 million for the six months ended 30 June 2020 (the "**First Half 2020**") to approximately RMB31.2 million for the First Half 2021.

The loss for the First Half 2021 is approximately RMB17.1 million, decreased by approximately RMB24.3 million or 337.5% from the profit of approximately RMB7.2 million for the First Half 2020. Such decrease was primarily due to (i) the decrease in the gross profit generated from mobile games of approximately RMB21.0 million and gross profit generated from the digital media content distribution of approximately RMB2.0 million; and (ii) the increase in the research and development expenses of approximately RMB10.2 million, administrative expenses of approximately RMB3.5 million and selling and distribution expenses of approximately RMB3.3 million, which were partially offset by the decrease in the listing expenses of approximately RMB11.1 million and income tax expense of approximately RMB4.2 million.

OUTLOOK

The Group has always been committed to be a digital entertainment content provider. According to an independent third-party research report, driven by the evolving mobile communication technologies, the increasing penetration of mobile users and the ensuing shift of entertainment consumption towards mobile devices, the PRC's mobile game market has become the fastest-growing and a strategically important segment within the PRC's game market. The PRC's mobile game market grew rapidly at a compounded annual growth rate ("**CAGR**") of 25.3% from RMB97.2 billion in 2016 to RMB239.6 billion in 2020 and is expected to reach RMB432.1 billion in 2025, representing a CAGR of 12.5% from 2020 to 2025. The mobile game market size as a percentage of the PRC's game market size increased from 55.3% in 2016 to 77.7% in 2020 and is expected to further increase to 85.6% in 2025.

In the First Half 2021, the economy of the PRC recovered gradually from the impact of the COVID-19 pandemic, movement restrictions were largely removed, and people placed less reliance on games and entertainment to connect with each other as compared with the corresponding period last year. In addition, as a result of the unexpected re-outbreak of COVID-19 in Guangzhou, the PRC in May 2021 and the subsequent quarantine measures imposed by the PRC government, the Group had experienced a short-term disruption in operation and development which had caused delay in launching a new multi-player mobile game to June 2021. However, based on the current situation of the COVID-19, our mobile games can continue to be downloaded and played by players and digital media content can continue to be subscribed with all settlement services continued. We are also able to continue our cooperation with our suppliers and business partners through electronic media and telephone and remote access to our information technology system.

With the resurgence of the pandemic from time to time and the tightening regulatory requirements, the internal and external situations will remain complicated and tough. The Group will actively explore opportunities for partnership that could generate synergies and enhance the stability and diversity of our revenue, so as to cope with the increasing competition in the industry and the possible impacts caused by constantly changing industry policies on the principal business of the Company.

Chairman's Statement *(Continued)*

PROSPECTS

For the second half of 2021, the Company will continue to switch its focus from single-player mobile games development and operation business to multi-player mobile games development and operation business due to the unexpected change of player preference from single-player mobile games to multi-player mobile games since the second quarter of 2020, which is in line with the business strategy of the Group as disclosed in the 2020 Annual Report. During the First Half 2021, the Company launched one new multi-player mobile game in February 2021, which was relatively less favourable than expected, in view of this situation, the Board decided to speed up the development and launching of new games, hence, the Company launched additional two multi-player mobile games in June 2021, the revenue generation ability of these new multi-player mobile games was not fully reflected in the financial results of the Group in the First Half 2021.

As page 4 of the 2020 Annual Results Announcement states that the Company plans to launch two multiplayer mobile games in 2021, the plan has been fulfilled in the First Half 2021. To improve the Group's competitiveness in the field of multi-player mobile games, the Board had decided to develop and launch additional three new multi-player mobile games in 2021, one of the additional three new multi-player mobile games was launched in June 2021 with the remaining two launched in July 2021 and expected to be launched by the end of 2021, respectively. The revenue generation ability and the market acceptance of the two new multi-player mobile games launched in June 2021 and the two new multi-player mobile games launched in second half of 2021 is yet to be seen in the future.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my heartfelt gratitude to our shareholders, members of the Board, senior management and all our staffs for their dedication and contribution. On behalf of the Board, I would like to thank our clients, suppliers, and business partners for their relentless support and trust. Going forward, we shall strive to explore further opportunities and overcome challenges, as we remain steadfast and committed to attaining better results for the Group.

Lu Jian

Chairman

26 August 2021

Management Discussion and Analysis

REVIEW OF OPERATION

The Group's revenue decreased by approximately RMB68.6 million or 68.7% from approximately RMB99.8 million for the First Half 2020 to approximately RMB31.2 million for the First Half 2021. The decrease of the Group's revenue is mainly due to (i) the decrease in revenue from our mobile game development and operation business by approximately RMB65.5 million; and (ii) the decrease in revenue from digital media content distribution business of approximately RMB3.0 million. The gross profit also decreased by approximately RMB22.6 million or 73.0% from approximately RMB30.9 million for the First Half 2020 to approximately RMB8.3 million for the First Half 2021, which was principally due to the substantial decline of approximately 72.5% in revenue attributable to the mobile games development and operation for the First Half 2021 as compared to the First Half 2020, which was principally due to (i) insignificant revenue contribution attributable to the single-player mobile games for the First Half 2021 as compared to the First Half 2020; and (ii) the substantial decline in revenue contribution attributable to two popular multi-player mobile games for the First Half 2021 as compared to the First Half 2020 of approximately 60% and more than 90%, respectively. Given that both the games were launched in the first half of the year ended 31 December 2019 and are approaching to the latter part of their game life cycle, it is considered that their revenue generation ability significantly decreased for the First Half 2021 as compared to the First Half 2020 (for more information about game life cycle, please refer to page 45 of the prospectus of the Company dated 27 February 2020).

The loss for the First Half 2021 is approximately RMB17.1 million, decreased by approximately RMB24.3 million or 337.5% from the profit of approximately RMB7.2 million for the First Half 2020. Such decrease was primarily due to (i) the decrease in the gross profit generated from mobile games of approximately RMB21.0 million and gross profit generated from the digital media content distribution of approximately RMB2.0 million; and (ii) the increase in the research and development expenses of approximately RMB10.2 million, administrative expenses of approximately RMB3.5 million and selling and distribution expenses of approximately RMB3.3 million, which were partially offset by the decrease in the listing expenses of approximately RMB11.1 million and income tax expense of approximately RMB4.2 million.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW

Mobile Game

The mobile game consists of development and operation of mobile games and information services where the Group cooperated with corporate customers to integrate media content in some of the mobile games the Group operates.

The following table sets forth certain operating statistics relating to the mobile game of the Group in the periods indicated:

	Six months ended 30 June		
	2021	2020	Change (%)
Game			
Number of paying players ('000)	41.4	1,681.0	-97.5
Average MPUs ('000)	6.9	280.2	-97.5
Average ARPPU (RMB)	542.29	60.07	802.8

- MPUs. The average monthly paying users (“**MPUs**”) for the game business decreased to approximately 6,900 for the First Half 2021 from approximately 0.3 million for the First Half 2020. Such decrease was primarily due to the gradual change of player preference from single-player mobile games to multi-player mobile games since the second quarter of 2020 and resulted in the significant decrease in the number of paying players from single-player mobile games in the First Half 2021.
- ARPPU. Monthly average revenue per paying user (“**ARPPU**”) level of game business increased to approximately RMB542.29 for the First Half 2021 as compared to approximately RMB60.07 for the First Half 2020. Such increase was primarily due to the fact that much larger proportion of game revenue was derived from multi-player mobile game development and operation for the First Half 2021, particularly the Group operated 14 multi-player mobile games for the First Half 2021 which offered virtual items at a relatively high unit purchase price.

Management Discussion and Analysis (Continued)

The following table sets forth the Group's interim condensed consolidated statement of profit or loss for the First Half 2021 as compared to the First Half 2020:

	Six months ended 30 June		
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	Change (%)
Revenue	31,201	99,809	-68.7
Cost of sales	(22,862)	(68,897)	-66.8
Gross profit	8,339	30,912	-73.0
Other income and gain, net	3,617	1,525	137.2
Selling and distribution expenses	(3,906)	(620)	530.0
Administrative expenses	(9,774)	(6,303)	55.1
Research and development expenses	(12,980)	(2,762)	369.9
Impairment of trade receivables	(1,906)	(140)	1,261.4
Other expenses	(54)	(10,934)	-99.5
Finance costs	(24)	(136)	-82.4
Share of results of associates	(338)	-	N/A
Profit/(loss) before tax	(17,026)	11,542	-247.5
Income tax expense	(106)	(4,330)	-97.6
Profit/(loss) for the period	(17,132)	7,212	-337.5

Management Discussion and Analysis *(Continued)*

Revenue

Revenue decreased by approximately RMB68.6 million or 68.7% to approximately RMB31.2 million for the First Half 2021 from approximately RMB99.8 million for the First Half 2020. The following table sets forth the revenue of the Group by business segment for the First Half 2020 and First Half 2021:

	Six months ended 30 June			
	2021		2020	
	RMB'000 (Unaudited)	% to total revenue	RMB'000 (Unaudited)	% to total revenue
<i>Revenue from contracts with customers</i>				
Mobile games				
— Development and operation	24,875	79.7	90,329	90.5
— Information services	—	—	144	0.1
Digital media content distribution	6,326	20.3	9,336	9.4
Total Revenue from contracts with customers	31,201	100.0	99,809	100.0

- Revenue generated from the Group's mobile games decreased by approximately RMB65.6 million or 72.5% to approximately RMB24.9 million for the First Half 2021 from approximately RMB90.5 million for the First Half 2020. Such decrease was primarily due to the substantial decline of approximately 64.8% in revenue attributable to the multi-player mobile games in the First Half 2021 as compared to the same period of 2020, which was principally due to the substantial decline in revenue contribution attributable to two popular multi-player mobile games for the First Half 2021 as compared to the First Half 2020 of approximately 60% and more than 90%, respectively. Given that both the games were launched in the first half of the year ended 31 December 2019 and are approaching to the latter part of their game life cycle, it is considered that their revenue generation ability significantly decreased for the First Half 2021 as compared to the First Half 2020 (for more information about game life cycle, please refer to page 45 of the prospectus of the Company dated 27 February 2020).
- Revenue generated from the Group's digital media content distribution decreased by approximately RMB3.0 million or 32.2% to approximately RMB6.3 million for the First Half 2021 from approximately RMB9.3 million for the First Half 2020. Such decrease was primarily due to the further decrease in subscribers resulting from the temporary halt of services of the Group's major distribution platform for the upgrade of the user interface and subscribers' preference and taste shift from e-magazines to other newly emerging digital media content platforms during the First Half 2021.

Management Discussion and Analysis *(Continued)*

Cost of sales

Cost of sales decreased by approximately RMB46.0 million or 66.8% to approximately RMB22.9 million for the First Half 2021 from approximately RMB68.9 million for the First Half 2020. The decrease was mainly due to the decrease in service fee charged by the Group's distribution channel providers in line with the decrease in revenue. For the First Half 2021, the percentage of cost of sales to total revenue increased to approximately 73.3% (for the First Half 2020: 69.0%) mainly due to lower gross profit margin of multi-player mobile games than the single-player mobile games.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB3.3 million or 530.0% to approximately RMB3.9 million for the First Half 2021 from approximately RMB0.6 million for the First Half 2020. The increase was principally due to the general increasing level of competition intensity in the PRC's game industry resulting in the top-set places in the distribution platforms were mostly occupied by the games operated by major game operators.

Administrative expenses

Administrative expenses increased by approximately RMB3.5 million or 55.1% to approximately RMB9.8 million for the First Half 2021 from approximately RMB6.3 million for the First Half 2020. The increase in administrative expenses was mainly attributable to the increase in the professional fees for the First Half 2021.

Research and development expenses

Research and development expenses increased by approximately RMB10.2 million or 369.9% to approximately RMB13.0 million for the First Half 2021 from approximately RMB2.8 million for the First Half 2020. The increase in research and development expenses was principally due to the Group's development of new multi-player mobile games in order to cater for the gradual change of player preference from the single-player mobile games to multi-player mobile games, which is in line with the business strategy of the Group as disclosed in the 2020 Annual Report.

Other income and gains, net

Other income and gains, net increased to approximately RMB3.6 million for the First Half 2021 from approximately RMB1.5 million for the First Half 2020. The increase was mainly due to the increase in government grants.

Impairment of trade receivables

Impairment of trade receivables was approximately RMB1.9 million for the First Half 2021 as compared to approximately RMB0.1 million for the First Half 2020, which was due to the decrease in recovery rate of trade receivables during the same period.

Other expenses

Other expenses were approximately RMB54,000 for the First Half 2021, as compared to other expenses of approximately RMB10.9 million for the First Half 2020. The decrease was mainly due to the decrease in listing expenses of approximately RMB11.1 million for the First Half 2021.

Management Discussion and Analysis *(Continued)*

Finance costs

Finance cost decreased to approximately RMB24,000 for the First Half 2021 from approximately RMB0.1 million for the First Half 2020, which was mainly due to the conversion of pre-IPO convertible bonds in the First Half 2020.

Income tax expense

The income tax expense for the First Half 2021 was approximately RMB0.1 million, decreased by 97.6% from approximately RMB4.3 million for the First Half 2020. Such significant decrease was mainly attributable to the decrease in taxable income during the same period.

Profit/(loss) for the period

Based on the foregoing, the loss for the First Half 2021 was approximately RMB17.1 million, as compared to the profit of approximately RMB7.2 million for the First Half 2020.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Cash and cash equivalents	15,534	47,156

During the First Half 2021, the Group's working capital and other capital requirements were principally satisfied by cash generated from the Group's operations and capital. There has been no change in the capital structure of the Group during the First Half 2021. The share capital of the Company comprises ordinary shares.

The Group's total cash and cash equivalents amounted to approximately RMB15.5 million as at 30 June 2021, as compared to approximately RMB47.2 million as at 31 December 2020. The decrease was mainly due to the increase of payment to professional parties in order to strengthen the Group's marketing ability and research and development ability.

We currently do not hedge transactions undertaken in foreign currencies. Due to our persistent efforts in managing our exposure to foreign currencies through constant monitoring to limit as much as possible the amount of foreign currencies held by us, fluctuations in currency exchange rates do not have any material adverse impact on our financial results.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of fundings, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in Renminbi ("RMB"), followed by Hong Kong dollars ("HKD").

The Group did not have any bank borrowing balance as at 30 June 2021 and 31 December 2020. As at 30 June 2021, the Group's gearing ratio (calculated as bank borrowing divided by total assets) was nil (As at 31 December 2020: nil). The borrowing requirements of the Group are not subject to seasonality.

Management Discussion and Analysis *(Continued)*

SIGNIFICATION INVESTMENTS HELD

During the First Half 2021, there was no significant investment held by the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the First Half 2021.

PLEDGE OF ASSETS

As at 30 June 2021, the Group did not have any pledged assets (30 June 2020: nil).

CAPITAL COMMITMENTS

As at 30 June 2021, the Group did not have any significant capital commitment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group did not have other plan for material investments and capital assets.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 30 June 2021, the Group had a total of 44 employees, the majority of whom are based in Guangzhou. Total staff costs were approximately RMB5.1 million for the First Half 2021. The Group provides employees with competitive remuneration and various benefits including housing, pension, medical and unemployment benefit plan, and the Group's remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provide customized and continuous on-the-job training to our new employees by experienced mentors from relevant teams or departments.

EVENT AFTER THE REPORTING PERIOD

There were no significant subsequent events during the period from 30 June 2021 to the approval date of the unaudited interim condensed consolidated financial statements of the Company for the First Half 2021 by the Board.

Management Discussion and Analysis *(Continued)*

USE OF PROCEEDS FROM THE LISTING

The net proceeds raised by the Company from the listing of the Shares on the Main Board of the Stock Exchange (“**Listing**”) are approximately RMB79.2 million (after deduction of the underwriting commissions in respect of the offering and other estimated expenses). For the First Half 2021, the initial public offering of the Shares on the Stock Exchange (“**IPO**”) proceeds were utilized in accordance with the intended purposes stated in the Prospectus published by the Company, with the balance amounted to approximately RMB12.0 million. The balance of IPO proceeds will continue to be utilized according to the manner and proportions as disclosed in the Prospectus.

Since 17 March 2020 which dealings in Shares first commence on the Stock Exchange (the “**Listing Date**”) and up to 30 June 2021, the net proceeds from the Listing had been applied as follows:

	Net amount available as at 17 March 2020 RMB million	Actual net amount utilized as at 30 June 2021 RMB million	Unutilized net amount as at 30 June 2021 RMB million	Expected timeline for utilising the remaining net proceeds <i>(Note)</i>
Expand market share in single-player mobile games	19.2	14.7	4.5	By 31 December 2021
Expedite multi-player mobile game market	12.2	6.0	6.2	By 31 December 2021
Obtain licensing rights of popular entertainment properties	16.1	16.1	-	N/A
Enrich our digital media content	1.0	0.1	0.9	By 31 December 2021
Strategic acquisitions and partnerships with mobile game developers	24.1	24.1	-	N/A
Working capital and general corporate use	6.6	6.2	0.4	By 31 December 2021
Total	79.2	67.2	12.0	

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of future market conditions made by the Group and is consistent with that as described in the Prospectus. It might be subject to changes based on the current and future development of the market conditions.

Management Discussion and Analysis *(Continued)*

PRINCIPAL RISKS AND UNCERTAINTIES

Although the Group has successfully established its mobile games, there are certain risks that could adversely affect the Group's operations and financial results due to the immaturity of the mobile game industry in PRC. The major hurdles include (i) new policies or any amendment to current policies in relation to mobile game industry; (ii) reliance on distribution channel providers; (iii) the game portfolio included games that are self-developed or licensed games, so the Group's operations may be adversely affected if the Group cannot seek alternatives in a timely manner; and (iv) the Group may be exposed to payment delays or defaults from settlement agents, which would adversely affect the Group's cash flow and financial results.

Meanwhile, for the Group's established digital media content, the major hurdles include external interruptions such as system disruption, hacking or service suspension on any of the distribution platforms or the publishing platforms.

Other Information

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of the Directors and chief executives at the relevant time being in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interest in Shares and underlying Shares

Name of Director	Capacity/Nature of Interest	Number of Shares or securities held ⁽¹⁾	Approximate percentage of shareholding
Mr. Liang ⁽²⁾⁽⁵⁾	Interest in a controlled corporation/interest held jointly with other persons	337,688,008 (L)	61.85%
Mr. Lu ⁽³⁾⁽⁵⁾	Interest in a controlled corporation/interest of spouse/interest held jointly with other persons	337,688,008 (L)	61.85%
Ms. Su ⁽⁴⁾⁽⁵⁾	Interest in a controlled corporation/interest held jointly with other persons	337,688,008 (L)	61.85%
Mr. Tsui ⁽⁶⁾	Interest in a controlled corporation	16,801,570 (L)	3.07%

Notes:

- (1) The letter "L" denotes a person's long position in our Shares.
- (2) Mr. Liang is the sole shareholder of JLCY SAGA which holds 126,632,022 Shares (representing approximately 23.19% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. By virtue of the SFO, Mr. Liang is deemed to be interested in the Shares in which JLCY SAGA is interested.
- (3) Mr. Lu and Ms. He owns 99.90% and 0.10% shareholding in LJHJH SAGA respectively. LJHJH SAGA holds 105,527,993 Shares (representing approximately 19.33% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. Mr. Lu is the husband of Ms. He. By virtue of the SFO, each of Mr. Lu and Ms. He is deemed to be interested in the Shares in which LJHJH SAGA is interested.
- (4) Ms. Su is the sole shareholder of WW SAGA which holds 105,527,993 Shares (representing approximately 19.33% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. By virtue of the SFO, Ms. Su is deemed to be interested in the Shares in which WW SAGA is interested.
- (5) Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. As such, each of Mr. Liang, Mr. Lu and Ms. Su is deemed to be interested in the Shares held by the others under the SFO.
- (6) Mr. Tsui holds 86.67% shareholding in AE Majoris Tech which holds 16,801,570 Shares (representing approximately 3.07% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. By virtue of the SFO, Mr. Tsui is deemed to be interested in the Shares in which AE Majoris Tech is interested.

Other Information *(Continued)*

(ii) Interest in associated corporations

Name of Director	Name of our Company's associated corporation	Capacity/Nature of Interest	Approximate percentage of shareholding
Mr. LIANG Junhua	JLCY SAGA	Interest in a controlled corporation	100.00%
	Guangzhou Jiu Zun ⁽¹⁾	Beneficial interest/interest held jointly with other persons	86.02%
Mr. LU Jian	LJHJH SAGA	Interest in a controlled corporation	100.00%
	Guangzhou Jiu Zun ⁽²⁾	Interest in a controlled corporation/interest of spouse/interest held jointly with other persons	86.02%
Ms. SU Shaoping	WW SAGA	Interest in a controlled corporation	100.00%
	Guangzhou Jiu Zun ⁽³⁾	Interest in a controlled corporation/interest held jointly with other persons	86.02%

Notes:

- Mr. Liang owns 32.26% capital contribution in Guangzhou Jiu Zun. Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. Mr. Liang, Mr. Lu and Ms. Su directly or indirectly own an aggregate of 86.02% capital contribution in Guangzhou Jiu Zun. As such, Mr. Liang is deemed to be interested in 86.02% capital contribution in Guangzhou Jiu Zun under the SFO.
- Mr. Lu owns 100.00% capital contribution in Yingtan Jianming Investment, which in turn owns 99.90% capital contribution in Yujiang Yingming Investment, which in turn owns 26.88% capital contribution in Guangzhou Jiu Zun. Ms. He owns 100.00% capital contribution in Yingtan Jianying Investment, which in turn owns 0.10% capital contribution in Yujiang Yingming Investment. Mr. Lu is the husband of Ms. He. By virtue of the SFO, each of Mr. Lu and Ms. He is deemed to be interested in the capital contribution in which their spouse is interested. As such, Mr. Lu is deemed to be interested in 26.88% capital contribution in Guangzhou Jiu Zun in which Yujiang Yingming Investment is interested. Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. Mr. Liang, Mr. Lu and Ms. Su directly or indirectly own an aggregate of 86.02% capital contribution in Guangzhou Jiu Zun. As such, Mr. Lu is deemed to be interested in 86.02% capital contribution in Guangzhou Jiu Zun under the SFO.
- Ms. Su owns 100.00% capital contribution in each of Yingtan Jiancheng Investment and Yingtan Jianhe Investment. Yingtan Jiancheng Investment and Yingtan Jianhe Investment own 99.90% and 0.10% capital contribution in Yujiang Chenghe Investment respectively, which in turn owns 26.88% capital contribution in Guangzhou Jiu Zun. Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. Mr. Liang, Mr. Lu and Ms. Su directly or indirectly own an aggregate of 86.02% capital contribution in Guangzhou Jiu Zun. As such, Ms. Su is deemed to be interested in 86.02% capital contribution in Guangzhou Jiu Zun under the SFO.

Other Information *(Continued)*

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, the following persons will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name of Shareholder	Capacity/Nature of Interest	As at the date of this interim report		Immediately following completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering	
		Number of Shares or securities held ⁽¹⁾	Approximate percentage of shareholding	Number of Shares or securities held ⁽¹⁾	Approximate percentage of shareholding
JLCY SAGA ⁽²⁾	Beneficial owner	86,022	86.02%	337,688,008 (L)	61.85%
Mr. Liang ⁽²⁾	Interest in a controlled corporation/interest held jointly with other persons	86,022	86.02%	337,688,008 (L)	61.85%
LJHJH SAGA ⁽³⁾	Beneficial owner	86,022	86.02%	337,688,008 (L)	61.85%
Mr. Lu ⁽³⁾	Interest in a controlled corporation/interest of spouse/interest held jointly with other persons	86,022	86.02%	337,688,008 (L)	61.85%
Ms. He ⁽³⁾	Interest in a controlled corporation/interest of spouse/interest held jointly with other persons	86,022	86.02%	337,688,008 (L)	61.85%
WW SAGA ⁽⁴⁾	Beneficial owner	86,022	86.02%	337,688,008 (L)	61.85%
Ms. Su ⁽⁴⁾	Interest in a controlled corporation/interest held jointly with other persons	86,022	86.02%	337,688,008 (L)	61.85%
DW SAGA ⁽⁵⁾	Beneficial owner	7,527 (L)	7.53%	29,547,995 (L)	5.41%
Mr. Xu ⁽⁵⁾	Interest in a controlled corporation	7,527 (L)	7.53%	29,547,995 (L)	5.41%

Notes:

- (1) The letter "L" denotes a person's long position in our Shares.
- (2) Mr. Liang is the sole shareholder of JLCY SAGA which holds 126,632,022 Shares (representing approximately 23.19% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. By virtue of the SFO, Mr. Liang is deemed to be interested in the Shares in which JLCY SAGA is interested. Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. As such, each of Mr. Liang, Mr. Lu and Ms. Su is deemed to be interested in the Shares held by the others under the SFO.
- (3) Mr. Lu and Ms. He owns 99.90% and 0.10% shareholding in LJHJH SAGA respectively. LJHJH SAGA holds 105,527,993 Shares (representing approximately 19.33% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. Mr. Lu is the husband of Ms. He. By virtue of the SFO, each of Mr. Lu and Ms. He is deemed to be interested in the Shares in which LJHJH SAGA is interested. Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. As such, each of Mr. Liang, Mr. Lu and Ms. Su is deemed to be interested in the Shares held by the others under the SFO.

Other Information *(Continued)*

- (4) Ms. Su is the sole shareholder of WW SAGA which holds 105,527,993 Shares (representing approximately 19.33% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. By virtue of the SFO, Ms. Su is deemed to be interested in the Shares in which WW SAGA is interested. Pursuant to the Second Acting-In-Concert Confirmation, Mr. Liang, Mr. Lu and Ms. Su are parties acting in concert. As such, each of Mr. Liang, Mr. Lu and Ms. Su is deemed to be interested in the Shares held by the others under the SFO.
- (5) Mr. Xu is the sole shareholder of DW SAGA which holds 29,547,995 Shares (representing approximately 5.41% of the shareholding of our Company) upon the completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering. By virtue of the SFO, Mr. Xu is deemed to be interested in the Shares in which DW SAGA is interested.

Save as disclosed in this interim report, our Directors are not aware of any person who will, immediately following completion of the full conversion of the Pre-IPO Convertible Bonds, the Capitalization Issue and the Global Offering (without taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option and the options to be granted under the Share Option Scheme), have an interest or a short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group. Our Directors are not aware of any arrangement which may result in a change of control of our Company at a subsequent date.

CHANGES TO DIRECTORS' INFORMATION

There was no change to any information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules since the publication of the 2020 Annual Report and up to the date of this interim report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time during the First Half 2021 and up to the date of this interim report was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save for their respective interests in the Group (including the PRC Operational Entities), none of the Directors was interested in any business which competes or is likely to compete with the businesses of the Group for the First Half 2021.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The related party transactions which were undertaken in the First Half 2021 are set out in Note 15 to the financial information in this interim report. For those related party transactions which constituted connected transactions or continuing connected transactions (other than those described in the section headed "Report of Directors – Contractual Arrangements" of the 2020 Annual Report) of the Company under the Listing Rules, the Company has complied with the disclosure requirements in Chapter 14A of the Listing Rules, where applicable.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Group nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the First Half 2021.

Other Information *(Continued)*

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or his/her connected entities had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its parent company, or any of its subsidiaries or fellow subsidiaries was a party during the First Half 2021 and up to the date of this interim report.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the First Half 2021.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 21 February 2020. No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct and procedures governing Directors' securities transactions in stringent compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the code of conduct and procedures governing Directors' securities transactions during the First Half 2021.

CORPORATE GOVERNANCE CODE

The Company has committed to delivering and maintaining a higher standard of corporate governance to meet business needs and shareholders' expectation. The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the basis of the Company's corporate governance practices. The Company had complied with all the applicable code provisions of the CG Code during the First Half 2021.

PERMITTED INDEMNITY PROVISION

The Articles provide that every Director shall be indemnified out of the assets and profits of the Company against all liability and loss suffered by him as such Director in any action, suit or proceeding, whether civil or criminal, administrative or investigative, in which judgment is given in his favour, or in which he is acquitted.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the directors of any company of the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the First Half 2021 (30 June 2020: Nil).

Other Information (Continued)

EQUITY-LINKED AGREEMENTS

Save for the share option schemes as disclosed in this interim report, no equity-linked agreement was entered into during the First Half 2020 or subsisted at the end of the six months of 2021.

AUDIT AND COMPLIANCE COMMITTEE

The audit and compliance committee of the Company has reviewed together with the Board the accounting standards and practices adopted by the Group and the unaudited condensed consolidated financial information of the Company for the First Half 2021.

By order of the Board

LU Jian

Chairman and Executive Director

Hong Kong, 26 August 2021

The board of directors (the “**Board**”) of Jiu Zun Digital Interactive Entertainment Group Holdings Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”), hereby presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2021 together with comparative figures for the corresponding period in 2020. This interim condensed consolidated financial information for the six months ended 30 June 2021 has not been audited, but has been reviewed by the Audit Committee of the Company.

Interim Condensed Consolidated Statement of Profit or Loss

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
REVENUE	4	31,201	99,809
Cost of sales		(22,862)	(68,897)
Gross profit		8,339	30,912
Other income and gain, net	4	3,617	1,525
Selling and distribution expenses		(3,906)	(620)
Administrative expenses		(9,774)	(6,303)
Research and development expenses		(12,980)	(2,762)
Impairment of trade receivables, net		(1,906)	(140)
Other expenses		(54)	(10,934)
Finance costs		(24)	(136)
Share of results of associates		(338)	-
PROFIT/(LOSS) BEFORE TAX	5	(17,026)	11,542
Income tax expense	6	(106)	(4,330)
PROFIT/(LOSS) FOR THE PERIOD		(17,132)	7,212
Attributable to:			
Owners of the parent		(17,398)	5,758
Non-controlling interests		266	1,454
		(17,132)	7,212
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		RMB(3.2) cents	RMB1.2 cents
Diluted		RMB(3.2) cents	RMB1.2 cents

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	(17,132)	7,212
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,051)	1,247
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(18,183)	8,459
Attributable to:		
Owners of the parent	(18,449)	7,005
Non-controlling interests	266	1,454
	(18,183)	8,459

Interim Condensed Consolidated Statement of Financial Position

	<i>Notes</i>	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	812	469
Right-of-use assets		1,331	-
Investments in associates		23,369	22,207
Equity investments designated at fair value through other comprehensive income		3,600	3,600
Prepayments and deposits	11	41,190	47,886
Total non-current assets		70,302	74,162
CURRENT ASSETS			
Trade receivables	10	53,732	57,948
Prepayments, deposits and other receivables	11	82,452	62,231
Financial asset at fair value through profit or loss		13,462	13,672
Cash and cash equivalents		15,534	47,156
Total current assets		165,180	181,007
CURRENT LIABILITIES			
Trade payables	12	6,941	5,013
Contract liabilities		1,488	4,954
Other payables and accruals	13	11,292	13,952
Lease liabilities		497	-
Tax payable		777	2,824
Total current liabilities		20,995	26,743
NET CURRENT ASSETS		144,185	154,264
TOTAL ASSETS LESS CURRENT LIABILITIES		214,487	228,426

Interim Condensed Consolidated Statement of Financial Position *(continued)*

	<i>Notes</i>	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		944	-
Deferred tax liabilities		2,164	2,164
<hr/>			
Total non-current liabilities		3,108	2,164
<hr/>			
Net assets		211,379	226,262
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EQUITY			
Equity attributable to owners of the parent			
Issued capital	<i>14</i>	4,946	4,946
Reserves		191,800	210,249
<hr/>			
		196,746	215,195
Non-controlling interests		14,633	11,067
<hr/>			
Total equity		211,379	226,262

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent									
	Equity component									
	Issued capital	Share premium account	of convertible bonds	Other reserve	Statutory reserve funds	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
At 1 January 2020	1	-	1,128	10,000	8,585	(171)	96,105	115,648	9,748	125,396
Profit for the period	-	-	-	-	-	-	5,758	5,758	1,454	7,212
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	1,247	-	1,247	-	1,247
Total comprehensive income for the period	-	-	-	-	-	1,247	5,758	7,005	1,454	8,459
Conversion of convertible bond	-	18,045	(1,128)	-	-	-	-	16,917	-	16,917
Issue of shares under initial public offering	4,945	149,146	-	-	-	-	-	154,091	-	154,091
Share issue expenses	-	(37,023)	-	-	-	-	-	(37,023)	-	(37,023)
Dividend paid by a subsidiary to its then shareholders	-	-	-	-	-	-	(13,613)	(13,613)	-	(13,613)
Dividend to a non-controlling shareholder (note 7)	-	-	-	-	-	-	-	-	(1,025)	(1,025)
Dividend paid by the Company to its shareholders (note 7)	-	-	-	-	-	-	(12,362)	(12,362)	-	(12,362)
At 30 June 2020 (unaudited)	4,946	130,168	-	10,000	8,585	1,076	75,888	230,663	10,177	240,840
At 31 December 2020 and at 1 January 2021	4,946	130,168*	-	10,000*	8,585*	(7,313)*	68,809*	215,195	11,067	226,262
Profit/(loss) for the period	-	-	-	-	-	-	(17,398)	(17,398)	266	(17,132)
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	(1,051)	-	(1,051)	-	(1,051)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(1,051)	(17,398)	(18,449)	266	(18,183)
Capital contribution from a non-controlling shareholder	-	-	-	-	-	-	-	-	3,300	3,300
At 30 June 2021 (unaudited)	4,946	130,168*	-	10,000*	8,585*	(8,364)*	51,411*	196,746	14,633	211,379

* These reserve accounts comprise the consolidated reserves of RMB191,800,000 (31 December 2020: RMB210,249,000) in the interim condensed consolidated statement of financial position as at 30 June 2021.

Interim Condensed Consolidated Statement of Cash Flows

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(17,026)	11,542
Adjustments for:			
Finance costs		24	136
Share of results of associates		338	-
Interest income	4	(86)	(831)
Depreciation of property, plant and equipment	5	87	168
Depreciation of right-of-use assets	5	177	182
Impairment of trade receivables, net	5	1,906	140
Reversal of impairment of deposits	5	-	(155)
Write-off of items of property, plant and equipment	5	54	2
Fair value gain on financial asset at fair value through profit or loss, net	4	(127)	-
		(14,653)	11,184
Decrease/(increase) in trade receivables		2,310	(347)
Increase in prepayments, deposits and other receivables		(13,525)	(57,061)
Increase/(decrease) in trade payables		1,928	(6,367)
Decrease in contract liabilities		(3,466)	(1,874)
Decrease in other payables and accruals		(2,660)	(843)
Cash used in operations		(30,066)	(55,308)
Taxes paid		(2,153)	(10,387)
Net cash flows used in operating activities		(32,219)	(65,695)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		86	831
Purchases of items of property, plant and equipment		(502)	(642)
Proceeds from disposal of items of property, plant and equipment		18	-
Purchases of financial assets at fair value through profit or loss		(13,002)	(43,600)
Proceeds from disposals of financial assets at fair value through profit or loss		13,002	34,000
Increase in amount due from an associate		(1,500)	-
Net cash flows used in investing activities		(1,898)	(9,411)

Interim Condensed Consolidated Statement of Cash Flows *(continued)*

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares under initial public offering	-	154,091
Share issue expenses	-	(37,023)
Lease payments	(91)	(159)
Dividend paid by a subsidiary to its then shareholders	-	(4,300)
Capital contribution from a non-controlling shareholder	3,300	-
Net cash flows from financing activities	3,209	112,609
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	47,156	50,899
Effect of foreign exchange rate changes, net	(714)	1,467
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,534	89,869
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	15,534	89,869

Notes to the Interim Condensed Consolidated Financial Information

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1 1111, Cayman Islands. On 28 April 2021, the principal place of business of the Company was changed from Suite 1801, R&F To-win Building, 30 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, People's Republic of China (the "PRC") to Room B102, 1st Floor, Dongcheng Building, 58 Jianzhong Road, Tianhe District, Guangzhou, PRC. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 March 2020.

The Company is an investment holding company. During the period, the Company's subsidiaries were principally engaged in the development and operation of mobile games and the distribution of digital media content in the Mainland China.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. They are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information:

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16
Amendment to HKFRS 16

Interest Rate Benchmark Reform – Phase 2

Covid-19-Related Rent Concessions beyond 30 June 2021
(early adopted)

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendment did not have any impact on the financial position and performance of the Group.
- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the six months ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the COVID-19 pandemic. The amendments did not have any material impact on the financial position and performance of the Group for the six months ended 30 June 2021.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the mobile game development and operation and digital media content distribution in Mainland China. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

All significant external customers of the Group are located in the Mainland China. Accordingly, no geographical information of revenue from external customers is presented.

(b) Non-current assets

All significant non-current assets of the Group are located in the Mainland China. Accordingly, no geographical information of non-current assets is presented.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2021 and 2020.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

4. REVENUE, OTHER INCOME AND GAIN, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Mobile games		
– Development and operation	24,875	90,329
– Information services	–	144
Digital media content distribution	6,326	9,336
Total revenue from contracts with customers	31,201	99,809
Timing of revenue recognition		
Point in time <i>(note (a))</i>	6,356	29,230
Over time <i>(note (b))</i>	24,845	70,579
Total revenue from contracts with customers	31,201	99,809

Notes:

- (a) Including revenue from single player mobile games. Since they are downloaded and are fully functional once installed on each individual mobile device, the Group does not have the obligation for game operation and maintenance once the game is downloaded and neither has the access to the game data of each mobile device. Revenue is recognized upon the purchase of in-game items and premium features by players and all other criteria for revenue recognition are met.
- (b) Including revenue from multi-player mobile games. Since the Group has an implied obligation to provide the service which enables the virtual items to be consumed, revenue is recognized ratably over the estimated average playing period of paying players, starting from the time when virtual items are delivered to the player's account and all other revenues recognition criteria are met.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

4. REVENUE, OTHER INCOME AND GAIN, NET *(Continued)*

An analysis of other income and gain is as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Other income		
Interest income	86	831
Government grants*	2,383	447
Others	1,021	247
	3,490	1,525
Gain, net		
Fair value gain on financial asset at fair value through profit or loss, net	127	-
	3,617	1,525

* The balance represented government grants received by certain subsidiaries as these subsidiaries were qualified as High and New Technology Enterprises in the PRC and government subsidies received from the local government for employment support and business operation support in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

5. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of sales	22,862	68,897
Depreciation of property, plant and equipment	87	168
Depreciation of right-of-use assets	177	182
Lease payments not included in the measurement of lease liabilities	401	554
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, bonuses and allowances	4,566	5,378
Pension scheme contributions	558	208
	5,124	5,586
Impairment of trade receivables, net	1,906	140
Reversal of impairment of deposits [#]	-	(155)
Write-off of items of property, plant and equipment	54	2

[#] Included in "Other expenses" in the interim condensed consolidated statement of profit or loss.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

6. INCOME TAX

All subsidiaries of the Group established in the PRC are subject to PRC corporate income tax at a standard rate of 25% (six months ended 30 June 2020: 25%) during the period, except for:

- (i) Certain subsidiaries of the Group which qualified as High and New Technology Enterprises in Mainland China, were entitled to a lower PRC corporate income tax rate of 15% (six months ended 30 June 2020: 15%);
- (ii) Certain subsidiaries of the Group applied the Small-Scaled Minimal Profit Enterprise Income Tax Preferential Policy announced by the PRC's State Administration of Taxation; and
- (iii) A subsidiary of the Group was qualified as a software enterprise by Guangdong Software Industry Association and was entitled to tax exemption for two years and thereafter to a preferential rate at half of the corporate income tax rate for three years.

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current — Mainland China		
Charge for the period	106	3,939
Deferred	-	391
Total tax charge for the period	106	4,330

7. DIVIDENDS

The board of directors does not recommend the payment of any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

During the six months ended 30 June 2020, a subsidiary of the Group declared dividend of approximately RMB13,613,000 to its then shareholders for settlement of amounts due from the then shareholders to the Group before listing.

The 2019 final dividend of HK\$2.52 cents per ordinary share, which amount to approximately RMB12,362,000 was recognised as distribution during the six months ended 30 June 2020.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share for the period is based on the loss for the period attributable to owners of the parent of RMB17,398,000 (six months ended 30 June 2020: profit of RMB5,758,000), and the weighted average number of ordinary shares of 546,000,000 (six months ended 30 June 2020: 465,944,615) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2021 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the period.

During the six months ended 30 June 2020, the calculation of the diluted earnings per share is based on the profit for the period attributable to owners of the parent, adjusted to reflect the interest on the convertible bonds.

The weighted average number of ordinary shares used in the calculation was the number of ordinary shares in issue during that period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to had been issued at no consideration on the deemed conversion of the convertible bonds into ordinary shares.

The calculation of basic and diluted earnings per share for the six months ended 30 June 2020 was based on:

	Six months ended 30 June 2020 RMB'000 (Unaudited)
Earnings	
Profit attributable to owners of the parent, used in the basic earnings per share calculation:	5,758
Interest on convertible bonds	119
<hr/>	
Profit attributable to owners of the parent before interest on convertible bonds	5,877
<hr/>	
	Six months ended 30 June 2020 Number of shares
Shares	
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	465,944,615
Effect of dilution – weighted average number of ordinary shares:	
Convertible bonds	11,609,231
<hr/>	
	477,553,846
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Notes to the Interim Condensed Consolidated Financial Information *(continued)*

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, additions of items of property, plant and equipment amounted to RMB502,000 (six months ended 30 June 2020: RMB642,000).

10. TRADE RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	59,445	61,755
Impairment	(5,713)	(3,807)
	53,732	57,948

The Group's trading terms with its trade debtors are on credit. The credit periods range from 30 to 90 days during the period. The Group seeks to maintain strict control over its outstanding trade receivables to minimize 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.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 30 days	1,756	1,929
31 to 60 days	1,066	1,607
61 to 90 days	1,158	1,450
91 to 180 days	2,102	4,242
181 to 365 days	4,703	14,710
Over 365 days	42,947	34,010
	53,732	57,948

During the six months ended 30 June 2021, the impairment of trade receivables, net amounted to RMB1,906,000 (six months ended 30 June 2020: RMB140,000).

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Prepayments	99,915	80,605
Deposits and other receivables	23,727	29,512
	123,642	110,117
Less: Portion classified as non-current assets	(41,190)	(47,886)
	82,452	62,231

12. TRADE PAYABLES

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 1 month	2,179	359
1 to 2 months	286	533
2 to 3 months	272	507
Over 3 months	4,204	3,614
	6,941	5,013

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 90 days.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

13. OTHER PAYABLES AND ACCRUALS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Other payables	9,612	12,550
Other tax payables	21	136
Accruals	1,659	1,266
	11,292	13,952

14. ISSUED CAPITAL

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Authorized: 2,000,000,000 ordinary shares of HK\$0.01 each	18,015	18,015
Issued and fully paid: 546,000,000 ordinary shares of HK\$0.01 each	4,946	4,946

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

14. ISSUED CAPITAL *(Continued)*

A summary of movements in the Company's authorized and issued share capital during the year/period is as follows:

	<i>Notes</i>	Number of shares	Share capital HK\$'000	Equivalent to RMB RMB'000
Authorized ordinary shares of HK\$0.01 each:				
At 1 January 2020		39,000,000	390	314
Increase of authorized capital	<i>(a)</i>	1,961,000,000	19,610	17,701
<hr/>				
At 31 December 2020, 1 January 2021 and 30 June 2021		2,000,000,000	20,000	18,015
<hr/>				
Issued and fully paid ordinary shares of HK\$0.01 each:				
At 1 January 2020		100,000	1	1
Issuance of ordinary shares upon conversion of convertible bonds	<i>(b)</i>	6,990	-	-
Capitalization issue	<i>(c)</i>	419,893,010	4,199	3,804
Issuance of ordinary shares upon initial public offering	<i>(d)</i>	126,000,000	1,260	1,141
<hr/>				
At 31 December 2020, 1 January 2021 and 30 June 2021		546,000,000	5,460	4,946
<hr/>				

Notes:

- (a) Pursuant to the written resolutions of the shareholders of the Company passed on 21 February 2020, the authorized share capital of the Company was increased from HK\$390,000 divided into 39,000,000 shares of a par value of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 shares of a par value of HK\$0.01 each, by the creation of additional 1,961,000,000 shares with a par value of HK\$0.01 each, ranking pari passu in all respects with the existing shares of the Company.
- (b) On 17 March 2020, 6,990 ordinary shares of the Company with par value of HK\$0.01 were issued upon the conversion of convertible bonds with principal amounts totaling HK\$19,000,000 (equivalent to RMB15,505,000).
- (c) Pursuant to the written resolutions of the shareholders of the Company passed on 21 February 2020 and the minutes of the board of directors on the same day, 392,460,000 and 27,433,010 ordinary shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, by way of capitalization from the share premium account to the holders of shares whose names appeared on the register of shareholders of the Company and to the convertible bondholders from the conversion of convertible bonds, respectively, on 17 March 2020.
- (d) In connection with the Company's initial public offering, 126,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$1.35 per share for a total cash consideration, before share issue expenses, of approximately HK\$170,100,000 (equivalent to approximately RMB154,091,000). Dealing in the shares of the Company on the Stock Exchange commenced on 17 March 2020.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

15. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<i>A related company:</i>			
Financial advisory and company secretary service fee	(i)	922	462
<i>Associates:</i>			
Channel fee	(ii)	100	-

Notes:

- (i) The service fee was charged by a related company based on terms agreed between the relevant parties. Mr. Tsui Wing Tak is a director and/or beneficial shareholder of the related company.
- (ii) The channel fee was charged by the associates based on the terms mutually agreed between the relevant parties.

- (b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short term employee benefits	838	964
Post-employment benefits	22	46
Total compensation paid to key management personnel	860	1,010

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the unlisted investment fund (classified as financial asset at fair value through profit or loss) is assessed to approximate the net asset value indicated on the net asset value statement issued by the investment fund manager, which takes into consideration the fair values of the underlying assets held under the investment.

The fair value of unlisted equity investments designated at fair value through other comprehensive income are estimated based on the recent market transaction price.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Asset measured at fair value:

As at 30 June 2021

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Equity investments designated at fair value through other comprehensive income	-	3,600	-	3,600
Financial asset at fair value through profit or loss	-	13,462	-	13,462
	-	17,062	-	17,062

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Asset measured at fair value: *(Continued)*

As at 31 December 2020

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Equity investments designated at fair value through other comprehensive income	-	3,600	-	3,600
Financial asset at fair value through profit or loss	-	13,672	-	13,672
	-	17,272	-	17,272

The Group did not have any financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2020: Nil).

17. APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the Board on 26 August 2021.

Definitions

“AE Majoris Tech”	AE Majoris Tech Investment Company Limited, a company incorporated under the laws of the BVI on 14 May 2018 owned as to 86.67% by Mr. Tsui and 13.33% collectively by Mr. Jim Rogers and Ms. Paige Parker
“Android operating system”	a mobile operating system developed by Google, designed primarily for touchscreen mobile devices such as smartphones and tablets
“ARPPU”	monthly average gross receipts per paying user, calculated by dividing the average monthly gross receipts during a certain period by the MPUs during the same period
“Articles”	the amended and restated articles of association of the Company adopted on 21 February 2020 with effect from 17 March 2020, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“CAGR”	compound annual growth rate
“Capitalization Issue”	the capitalization of an amount standing to the credit of the share premium account of our Company by applying such sum in paying up in full 419,893,010 Shares for allotment and issue to our Shareholders as resolved by our Shareholders on 21 February 2020
“Cayman Islands”	the Cayman Islands
“Chairman”	the chairman of the Board
“China”, “PRC” or “Mainland China”	the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”, “the Company” or “our Company”	Jiu Zun Digital Interactive Entertainment Group Holdings Limited (九尊數字互娛集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands under the Cayman Islands Companies Law on 5 February 2018, whose Shares became listed on the Main Board of the Stock Exchange on the Listing Date
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“Contractual Arrangement(s)”	the series of contractual arrangements entered into between WFOE, Guangzhou Jiu Zun and the Relevant Shareholders, details of which are set out in the section headed “Contractual Arrangements” of the 2020 Annual Report

Definitions *(continued)*

“Corporate Governance Code” or “CG Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
“Director(s)” or “our Directors”	director(s) of our Company
“distribution channel provider”	in relation to mobile games, include operators of game website, search engine, telecommunication operator app store, manufacturer-specific app store, advertising alliance
“DW SAGA”	Captain Player Dragon Wing SAGA Investment Company Limited, a limited liability company incorporated under the laws of the BVI on 7 May 2018 wholly owned by Mr. Xu
“Executive Director(s)”	executive director(s) of the Company
“First Half 2020”	the six months ended 30 June 2020
“First Half 2021”	the six months ended 30 June 2021
“Global Offering”	the offer of 12,600,0000 Shares for subscription by the public in Hong Kong pursuant to the Hong Kong Public Offering and the offer of 113,400,000 Shares for subscription by institutional, professional, corporate and other investors pursuant to the International Offering (as respectively defined in the Prospectus)
“Group”, “the Group”, “we” or “us”	the Company and its subsidiaries, collectively
“Guangzhou Jiu Zun”	廣州市九尊數娛科技發展有限公司 (Guangzhou Jiu Zun Digital Entertainment Technology Development Company Limited*), a company established under the laws of the PRC with limited liability on 13 April 2018 and by virtue of the Contractual Arrangements, accounted for as our subsidiary owned as to 32.26%, 26.88%, 26.88%, 7.53% and 6.45% by Mr. Liang, Yujiang Yingming Investment, Yujiang Chenghe Investment, Mr. Xu and Ms. Zhang
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Non-executive Director(s)”	independent non-executive Director(s) of the Company
“IPO”	initial public offering of the Shares on the Stock Exchange
“JLCY SAGA”	Captain Player JLCY SAGA Investment Company Limited, a limited liability company incorporated under the laws of the BVI on 7 May 2018 wholly owned by Mr. Liang

Definitions *(continued)*

“Listing”	the Listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	The date which dealings in shares first commence on the Stock Exchange, i.e. 17 March 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LJHJH SAGA”	Captain Player LJHJH SAGA Investment Company Limited, a limited liability company incorporated under the laws of the BVI on 7 May 2018 owned as to 99.9% by Mr. Lu and 0.1% by Ms. He (being Mr. Lu’s spouse)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix 10 to the Listing Rules
“MPU(s)”	monthly paying users
“Mr. Liang”	Mr. Liang Junhua (梁俊華), our executive Director and one of our Controlling Shareholders
“Mr. Lu”	Mr. Lu Jian (呂建), our Chairman and executive Director and one of our Controlling Shareholders, and the spouse of Ms. He
“Mr. Tsui”	Mr. Tsui Wing Tak (徐穎德), our non-executive Director and the company secretary of our Company
“Mr. Xu”	Mr. Xu Guangming (徐光明), the beneficial owner of 7.53% equity interest in Guangzhou Jiu Zun
“Ms. He”	Ms. He Junhong (何軍紅), the spouse of Mr. Lu and one of our Controlling Shareholders
“Ms. Su”	Ms. Su Shaoping (蘇少萍), our non-executive Director and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“Non-executive Director(s)”	non-executive director(s) of the Company
“Pre-IPO Convertible Bonds”	the zero coupon convertible bonds issued by our Company in the aggregate principal amount of HK\$19,000,000 to AEM PIPO and AE Majoris Tech pursuant to the Subscription Agreement, as amended and supplemented by the Supplemental Deed
“Prospectus”	the prospectus issued by the Company dated 27 February 2020

Definitions (continued)

“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“Senior Management”	senior management of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 21 February 2020 for the benefit of our Directors, members of senior management, employees and other eligible participants defined in the scheme
“Share(s)”	ordinary share(s) in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in the Listing Rules
“virtual item”	virtual item(s) which enhance the players’ gaming experience, by, for example, enhancing the powers, abilities or attractiveness
“WW SAGA”	Captain Player WW SAGA Investment Company Limited, a limited liability company incorporated under the laws of the BVI on 7 May 2018 wholly owned by Ms. Su
“Yingtian Jiancheng Investment”	鷹潭建成投資中心 (Yingtian Jiancheng Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Ms. Su
“Yingtian Jianhe Investment”	鷹潭建和投資中心 (Yingtian Jianhe Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Ms. Su
“Yingtian Jianming Investment”	鷹潭建明投資中心 (Yingtian Jianming Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Mr. Lu
“Yingtian Jianying Investment”	鷹潭建盈投資中心 (Yingtian Jianying Investment Center)*, a sole proprietorship established under the laws of the PRC with limited liability on 29 October 2015 wholly owned by Ms. He

Definitions *(continued)*

“Yujiang Chenghe Investment”	余江縣成和投資中心(有限合夥) (Yujiang Chenghe Investment Center (Limited Partnership)*), a limited partnership established in the PRC on 16 November 2015 with 99.90% and 0.10% capital contribution by Yingtan Jiancheng Investment and Yingtan Jianhe Investment respectively
“Yujiang Yingming Investment”	余江縣盈明投資中心(有限合夥) (Yujiang Yingming Investment Center (Limited Partnership)*), a limited partnership established in the PRC on 16 November 2015 with 99.90% and 0.10% capital contribution by Yingtan Jianming Investment and Yingtan Jianying Investment respectively
“%”	per cent
“2020 Annual Report”	the annual report of the Company for the year ended 31 December 2020
“2020 Annual Results Announcement”	the annual results announcement of the Company for the year ended 31 December 2020

* *The English name is translated for reference purpose only in this Interim Report*