



火岩控股
FIRE ROCK HOLDINGS

火岩控股有限公司
FIRE ROCK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code : 1909

2023
Interim Report



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DEFINITION

“Articles of Association”	the articles of association of the Company conditionally adopted on 24 January 2016 and as amended, supplemented and otherwise modified from time to time
“Audit Committee”	the audit committee under the Board
“Board”	the board of directors of the Company
“browser games”	online games that can be played within a web browser which does not require active installation of client software
“commercial launch” or “commercialisation”	a game is considered commercially launched once our licensed operator(s) have (i) designated third party payment channels to collect payment for sales of in-game tokens, and (ii) concluded the open beta testing stage
“Company”	Fire Rock Holdings Limited (火岩控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed and traded on the Main Board (Stock code: 1909)
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“Group” or “we”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing”	the listing of the Shares of the Company on GEM
“Main Board”	the Main Board of the Stock Exchange
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MMORPG”	role-playing multiplayers game, in which players adopt the roles of one or more in-game characters and are able to interact within the game’s virtual world in accordance with in-game rules and guidelines
“mobile games”	online games that are downloaded to and played on mobile devices including smartphones and tablets
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in appendix 10 of the Main Board Listing Rules
“Nomination Committee”	the nomination committee under the Board
“paying player”	players who obtain in-game tokens with credits of licensed operators
“Placing”	the conditional placing of Shares of the Company in February 2016
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this report, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Consolidated Affiliated Entity”	the operating entity we control through the Contractual Arrangements, namely Shenzhen Viking Network Technology Co., Limited

“Remuneration Committee”	the remuneration committee under the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“SGD”	Singapore Dollar, the lawful currency of Singapore
“Share(s)”	ordinary share(s) with a nominal value of one-twelfth Hong Kong cent each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Fire Element”	Shenzhen Fire Element Network Technology Company Limited (深圳市火元素網絡技術有限公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this report, the terms “associate”, “close associate”, “connected”, “connected person”, “core connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings ascribed thereto under the Listing Rules, unless the context otherwise requires.

COMPANY PROFILE

Executive Directors

Mr. ZHOU Zhiwei¹

(Chief Executive Officer)

Mr. GAO Bo²

Mr. CHEN Di³

Ms. WONG Yan⁴

Mr. ZHOU Kun⁵

Non-Executive Directors

Mr. ZHANG Yan⁶

Ms. YANG Kan⁷

Independent Non-Executive Directors

Mr. TAM Chik Ngai Ambrose⁸

Ms. CHOW Woon San Shirley⁹

Mr. LOK Tze Bong¹⁰

Mr. CHAN King Fai¹¹

Mr. YANG Zhen¹²

Ms. ZHUANG Renyan¹³

Notes:

1. Mr. Zhou Zhiwei was appointed as an executive Director and the Chief Executive Officer on 31 March 2023.
2. Mr. Gao Bo was appointed as an executive Director on 31 March 2023.
3. Mr. Chen Di resigned as an executive Director on 7 August 2023.
4. Ms. Wong Yan was appointed as an executive Director on 16 June 2023.
5. Mr. Zhou Kun resigned as an executive Director on 12 April 2023.
6. Mr. Zhang Yan resigned as a non-executive Director on 30 May 2023.
7. Ms. Yang Kan resigned as a non-executive Director on 30 May 2023.
8. Mr. Tam Chik Ngai Ambrose was appointed as an independent non-executive Director on 30 March 2023.
9. Ms. Chow Woon San Shirley was appointed as an independent non-executive Director on 30 March 2023.
10. Mr. Lok Tze Bong was appointed as an independent non-executive Director on 12 April 2023.
11. Mr. Chan King Fai resigned as an independent non-executive Director on 30 May 2023.
12. Mr. Yang Zhen resigned as an independent non-executive Director on 12 April 2023.
13. Ms. Zhuang Renyan was appointed as an independent non-executive Director on 19 March 2021, and resigned as an independent non-executive Director on 30 May 2023.

Audit Committee

Mr. TAM Chik Ngai Ambrose¹
(Chairman)

Ms. CHOW Woon San Shirley²
Mr. LOK Tze Bong³
Mr. CHAN King Fai⁴
Mr. YANG Zhen⁵
Ms. ZHUANG Renyan⁶

Nomination Committee

Ms. CHOW Woon San Shirley²
(Chairman)

Mr. TAM Chik Ngai Ambrose¹
Mr. LOK Tze Bong³
Mr. ZHANG Yan⁷
Mr. YANG Zhen⁵
Ms. ZHUANG Renyan⁶

Remuneration Committee

Mr. TAM Chik Ngai Ambrose¹
(Chairman)

Ms. CHOW Woon San Shirley²
Mr. LOK Tze Bong³
Mr. CHAN King Fai⁴
Mr. YANG Zhen⁵
Ms. ZHUANG Renyan⁶

Notes:

1. Mr. Tam Chik Ngai Ambrose was appointed as the chairman of the Remuneration Committee and a member of the Audit Committee on 12 April 2023; and was appointed as the chairman of the Audit Committee and a member of the Nomination Committee on 30 May 2023.
2. Ms. Chow Woon San Shirley was appointed as a member of the Audit Committee and a member of the Nomination Committee on 12 April 2023; and was appointed as the chairman of the Nomination Committee and a member of the Remuneration Committee on 30 May 2023.
3. Mr. Lok Tze Bong was appointed as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 30 May 2023.
4. Mr. Chan King Fai resigned as the chairman of the Audit Committee and a member of the Remuneration Committee on 30 May 2023.
5. Mr. Yang Zhen resigned as the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee on 12 April 2023.
6. Ms. Zhuang Renyan was appointed as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 19 March 2021, and resigned as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 30 May 2023.
7. Mr. Zhang Yan resigned as the chairman of the Nomination Committee on 30 May 2023.



Joint Company Secretaries

Mr. CHU Hon Leung
Ms. Li Zijuan

Authorised Representatives

Mr. CHU Hon Leung
Mr. Gao Bo
(appointed on 5 June 2023)

Registered Office

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters and Principal Place of Business

20 Science Park Road,
#02-25 Teletech Park,
Singapore 117674

Principal Place of Business in Hong Kong

2201-2203, 22/F
World-Wide House
Central
Hong Kong

Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bankers

Bank of Communications Co., Ltd.,
Hong Kong Branch

Hong Kong Legal Adviser

Li & Partners

Auditor

Crowe (HK) CPA Limited
Certified Public Accountants

Stock Code

1909

Company Website

www.firerock.hk



MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2023. The interim results have been reviewed by the Audit Committee of the Company.

BUSINESS REVIEW AND PROSPECTS

Overview

The Group is a well-established game developer, publisher and operator. During the reporting period, the Group strategically expanded its main business to more diversified services, including publishing Internet application technology business and investment business. For the six months ended 30 June 2023, the profit attributable to equity holders of the Company was HKD586.4 million, while for the six months ended 30 June 2022, the profit attributable to equity holders of the Company was HKD20.4 million.

Looking forward, the Group will further enhance the business relating to third party's licensed game publishing, intellectual property rights (e.g. game operation platform program) licensing services to enterprise, online marketing and digital support activities and game operation business in overseas market.

FINANCIAL REVIEW

Revenue

We are principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation, on the basis of which we license our self-developed browser and mobile games to licensed operators around the world ("**Game Development**"), assist the third parties in promoting game-related business, and provide intellectual property rights licensing services to enterprises ("**Game Publishing and Operation**"). We also self-operate our self-developed games products in overseas markets.

During the six months ended 30 June 2023, the Group's revenue was approximately HKD64.5 million, representing an increase from approximately HKD52.4 million for the six months ended 30 June 2022, which was primarily due to increase in revenue from our game publishing and operation segment.

REVENUE BY GEOGRAPHICAL MARKETS

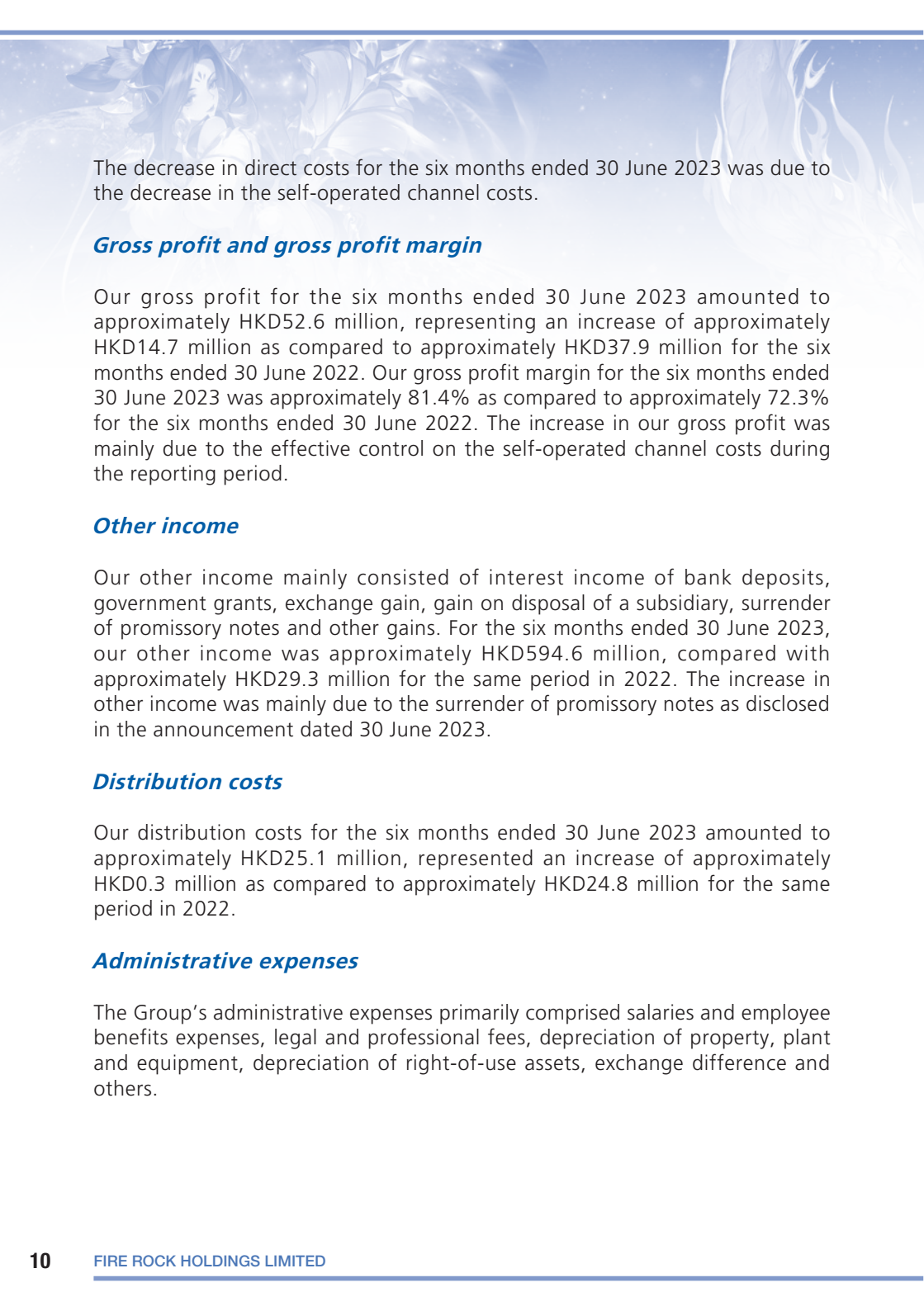
The following table sets forth our revenue from our games based on territories, in absolute amounts and as a percentage of our revenue for each of the six months ended 30 June 2023 and 2022:

	For the six months ended 30 June			
	2023		2022	
	HKD'000 (unaudited)	%	HKD'000 (unaudited)	%
Asia Pacific	64,540	100.0	52,428	100.0

Direct costs

The Group's direct costs mainly consisted of staff costs and benefits, channel costs charged by self-operated game platforms and licensed distribution costs. The following table sets forth a breakdown of the Group's direct costs for the reporting period indicated:

	For the six months ended 30 June			
	2023		2022	
	HKD'000 (unaudited)	%	HKD'000 (unaudited)	%
Staff costs and benefits	530	4.4	260	1.8
Self-operated channel costs	3,362	28.1	6,705	46.2
Licensed distribution costs	8,087	67.5	7,559	52.0
Total	11,979	100.0	14,524	100.0



The decrease in direct costs for the six months ended 30 June 2023 was due to the decrease in the self-operated channel costs.

Gross profit and gross profit margin

Our gross profit for the six months ended 30 June 2023 amounted to approximately HKD52.6 million, representing an increase of approximately HKD14.7 million as compared to approximately HKD37.9 million for the six months ended 30 June 2022. Our gross profit margin for the six months ended 30 June 2023 was approximately 81.4% as compared to approximately 72.3% for the six months ended 30 June 2022. The increase in our gross profit was mainly due to the effective control on the self-operated channel costs during the reporting period.

Other income

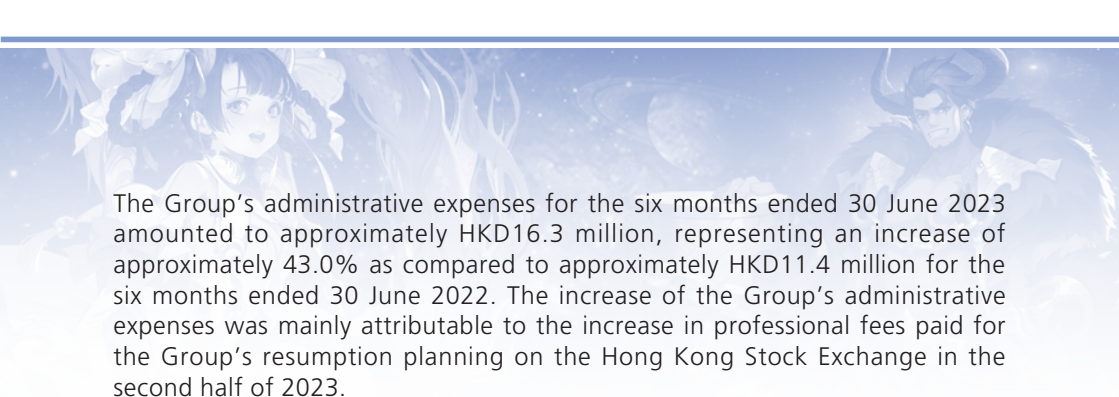
Our other income mainly consisted of interest income of bank deposits, government grants, exchange gain, gain on disposal of a subsidiary, surrender of promissory notes and other gains. For the six months ended 30 June 2023, our other income was approximately HKD594.6 million, compared with approximately HKD29.3 million for the same period in 2022. The increase in other income was mainly due to the surrender of promissory notes as disclosed in the announcement dated 30 June 2023.

Distribution costs

Our distribution costs for the six months ended 30 June 2023 amounted to approximately HKD25.1 million, represented an increase of approximately HKD0.3 million as compared to approximately HKD24.8 million for the same period in 2022.

Administrative expenses

The Group's administrative expenses primarily comprised salaries and employee benefits expenses, legal and professional fees, depreciation of property, plant and equipment, depreciation of right-of-use assets, exchange difference and others.



The Group's administrative expenses for the six months ended 30 June 2023 amounted to approximately HKD16.3 million, representing an increase of approximately 43.0% as compared to approximately HKD11.4 million for the six months ended 30 June 2022. The increase of the Group's administrative expenses was mainly attributable to the increase in professional fees paid for the Group's resumption planning on the Hong Kong Stock Exchange in the second half of 2023.

Income tax expense

Our income tax expense for the six months ended 30 June 2023 amounted to approximately HKD4.4 million while we recorded HKD2.3 million for the six months ended 30 June 2022. The increase in our income tax expense was mainly attributable to the increase in revenue and profit.

Profit for the period

Given the aforesaid reasons, profit attributable to owners of the Company increased by approximately 2,774.5% from approximately HKD20.4 million for the six months ended 30 June 2022 to approximately HKD586.4 million for the six months ended 30 June 2023. The significant increase in profit attributable to owners of the Company for the six months ended 30 June 2023 was mainly attributable to the one-time non-recurring other income, and given the increase in market instability, the increase may not be sustainable in the second half of 2023.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 30 June 2023, we mainly financed our business with cash generated from our operating activities. We intend to fund our expansion and business operations through our internal resources and on-going internal growth.

TREASURY POLICY

During the six months ended 30 June 2023, the Group deposited its capital with commercial banks in Hong Kong, Thailand and Singapore, and did not engage in any investments with high risks or speculative derivative instruments.

CASH AND CASH EQUIVALENTS

As at 30 June 2023, our cash and cash equivalents amounted to approximately HKD102.4 million, compared with approximately HKD119.5 million as at 31 December 2022, which primarily consisted of cash at bank and cash in hand and which are mainly denominated in USD (as to approximately 57.5%), THB (as to approximately 28.5%), HKD (as to approximately 3.6%) and others (as to approximately 10.4%).

CAPITAL EXPENDITURES

Our capital expenditures comprised expenditures on the purchase of furniture and office equipment and leasehold improvements. For the six months ended 30 June 2023, our total capital expenditures amounted to approximately HKD0.2 million, representing the purchase of furniture and office equipment (for the six months ended 30 June 2022: approximately HKD0.7 million, representing the purchase of furniture and office equipment). We funded our capital expenditure by using our cash flow generated from our operations.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 18 February 2016. Listing of the Shares has been transferred from GEM to the Main Board since 27 June 2019. The capital structure of the Company comprised of issued share capital and reserves.

BORROWINGS AND GEARING RATIO

As at 30 June 2023, the Group did not have any short-term or long-term borrowings (as at 31 December 2022: promissory notes amounted to HKD584.2 million which are interest bearing and denominated in Renminbi).

As at 30 June 2023, the gearing ratio of the Group, calculated as total liabilities divided by total assets, was approximately 13.1% (as at 31 December 2022: approximately 322.0%).

CHARGE ON GROUP ASSETS

As at 30 June 2023, no assets of the Group was pledged as a security for bank borrowings or any other financing facilities (as at 31 December 2022: Nil).

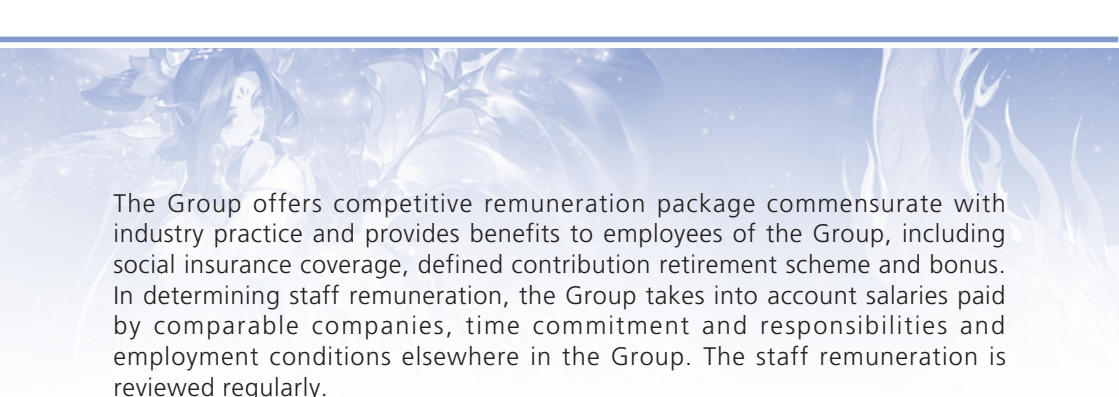
INFORMATION ON EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group had 86 employees (as at 30 June 2022: 58), who mainly worked and were located in Hong Kong, Singapore and Thailand. The table below sets forth the number of employees by function as at 30 June 2023 and 2022:

Department	As at 30 June			
	2023		2022	
	<i>Number of employees</i>	<i>% of total employees</i>	<i>Number of employees</i>	<i>% of total employees</i>
Management	12	14%	12	21%
Project Development	24	28%	13	22%
Game design	10	12%	4	7%
Programming	8	9%	4	7%
Art	6	7%	5	8%
Project Support	38	44%	25	43%
Marketing	5	6%	4	7%
Licensing and operator support	24	28%	17	29%
Information technology	9	10%	4	7%
Finance and administration	12	14%	8	14%
Total	86	100%	58	100%

The total remuneration of the employees of the Company was approximately HKD7.4 million for the six months ended 30 June 2023 (for the same period in 2022: approximately HKD4.6 million).

The Remuneration Committee will regularly review and recommend to the Board from time to time on the remuneration and compensation of the Directors and senior management of the Group.



The Group offers competitive remuneration package commensurate with industry practice and provides benefits to employees of the Group, including social insurance coverage, defined contribution retirement scheme and bonus. In determining staff remuneration, the Group takes into account salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group. The staff remuneration is reviewed regularly.

The Directors believe that maintaining a stable and motivated employee force is critical to the success of the Group's business. As a fast growing company, the Company is able to provide its employees with ample career development choices and opportunities of advancement. The Group organises various training programs on a regular basis for its employees to enhance their knowledge of online game development and operation, improve time management and internal communications and strengthen team building.

SIGNIFICANT INVESTMENTS IN OR MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

In March 2023, the Group disposed its entire equity interest in Lord Metaverse Co., Ltd. at a cash consideration of THB810,000 (approximately HKD185,000).

Except for the above, there were no significant investments in or material acquisitions and disposals of subsidiaries and associated companies by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as those disclosed in this report, there were no plan authorised by the Board for material investments or additions of capital assets at the date of this report.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities (as at 31 December 2022: Nil).



FOREIGN EXCHANGE RISKS

The functional currency of the Group is HKD and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, THB and SGD. All of the revenue are denominated in currencies other than the functional currency of the operating units making the revenue for the six months ended 30 June 2023 and 2022. Therefore, foreign exchange risks primarily arose from recognised assets in the Group when receiving or planning to receive foreign currencies from overseas cooperated counter parties.

The Group currently does not have any hedging policy in respect of the foreign currency risk. However, our management team closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this respect, we are not exposed to any significant foreign currency exchange risk in our operation.

USE OF PROCEEDS FROM THE PLACING

The Shares of the Company was listed on GEM of the Stock Exchange on 18 February 2016, and the net proceeds from the Placing was approximately HKD28.9 million.

Listing of the Shares has been transferred to the Main Board from GEM on 27 June 2019 without further issuance of Shares.

As at 30 June 2023, the Group has spent approximately HKD27.8 million, in aggregate, of the proceeds from the Placing (approximately HKD7.2 million on development of new games on mobile devices platform, approximately HKD7.2 million on development of new browser games, approximately HKD2.9 million on the continual optimisation of our existing games on various platforms, approximately HKD2.9 million on enhancing our game development capabilities, approximately HKD3.6 million on the acquisition/investment of game developers and related companies, approximately HKD2.5 million on the acquisition/purchase of the adaption rights of source materials and approximately HKD1.5 million for working capital and other general corporate uses). The Group continues to seek opportunities to obtain/acquire the adaptation rights of appropriate source materials.

As at 30 June 2023, the Company's use of proceeds from the Placing is set out as follows:

	Original allocation	Original allocation	30 June 2023 Amount used	30 June 2023 Amount used	30 June 2023 Amount unused	30 June 2023 Amount unused
	<i>HKD million</i>	<i>percentage</i>	<i>HKD million</i>	<i>percentage</i>	<i>HKD million</i>	<i>percentage</i>
Continual optimisation of our existing games on various platforms	2.9	10.0%	2.9	10.0%	—	—
Development of new games — Browser games	7.2	25.0%	7.2	25.0%	—	—
Development of new games — Mobile games	7.2	25.0%	7.2	25.0%	—	—
Seeking opportunities to obtain/ acquire the adaption rights of appropriate source materials	3.6	12.5%	2.5	8.7%	1.1	3.8%
Acquiring of/investment in game developers and related companies	3.6	12.5%	3.6	12.5%	—	—
Enhancement and diversification of our game development capabilities	2.9	10.0%	2.9	10.0%	—	—
Working capital and other general corporate purposes	1.5	5.0%	1.5	5.0%	—	—
Total	28.9	100.0%	27.8	96.2%	1.1	3.8%



EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to owners of the Company of approximately HKD586.4 million or earnings per share of approximately 15.27 Hong Kong cents for the six months ended 30 June 2023 (for the six months ended 30 June 2022: approximately HKD20.4 million or earnings per share of approximately 0.53 Hong Kong cents) and the weighted average number of 3,840,000,000 ordinary shares (for the six months ended 30 June 2022: 3,840,000,000 ordinary shares) in issue.

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 June 2023 and 2022.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE LISTING RULES AND CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving a high standard of corporate governance, to protect interests, improve corporate value and accountability.

The Group has adopted the Listing Rules and the code provisions as set out in the corporate governance code contained in Appendix 14 thereto.

Save as disclosed below, the Company has complied with the Listing Rules and all the code provisions of the Corporate Governance Code set out in Appendix 14 thereto throughout the six months ended 30 June 2023.

The Company failed to comply with the following financial reporting provisions under the Listing Rules in due course: (i) announce and issue the annual results and the annual report for the year ended 31 December 2021; (ii) announce and issue the interim results and interim report for the six months ended 30 June 2022; and (iii) announce and issue the annual results and the annual report for the year ended 31 December 2022. Such delays constituted the violation of Rule 13.46(2)(a), Rule 13.49(1), Rule 13.48(1) and Rule 13.49(6) of the Listing Rules.

As disclosed in the Company's announcements dated 23 February 2022, 18 March 2022, 1 April 2022, 20 May 2022, 30 June 2022, 8 July 2022, 29 August 2022, 7 September 2022, 30 September 2022, 11 November 2022, 11 December 2022, 3 January 2023, 30 March 2023, 31 March 2023, 12 April 2023, 13 April 2023, 17 April 2023, 25 April 2023, 7 May 2023, 30 May 2023, 5 June 2023, 16 June 2023 and 20 June 2023, amongst others, the Company required more time to complete the procedures of financial reporting and auditing due to the matter and the relevant limitations as mentioned in the Company's announcement dated 18 March 2022, 29 August 2022 and 11 November 2022.

However, as at the date of this report, the Company has complied with the relevant rules and completed the above procedures of financial reporting and auditing.



DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Among other things, the Company periodically issues notices to its Directors reminding them the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group.

Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standards of dealings for the six months ended 30 June 2023 and throughout the period up to the date of this report.

DISCLOSURE OF INTEREST AS PER REGISTERS KEPT PURSUANT TO THE SFO

(a) Interests and Short Positions of Directors and the Chief Executive in the Shares, Underlying Shares or Debentures

As at 30 June 2023, none of the Directors or chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they will be taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to Appendix 10 to the Listing Rules relating to securities transactions by Directors to be notified to our Company and the Hong Kong Stock Exchange.

(b) Interests and Short Positions of Substantial Shareholders and Other Persons in the Shares or Underlying Shares

So far as is known to the Directors or chief executive of the Company, as at 30 June 2023, the following persons had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares¹	Percentage of shareholdings
Sulfulon International Limited	Beneficial owner	1,310,000,000	34.11%
Mr. Zhang Yan ²	Interest of controlled corporation	1,566,800,000	40.80%
Ms. Zheng Xin ³	Interest of spouse	1,566,800,000	40.80%

Remarks:

- All interests stated are long positions.
- Mr. Zhang Yan is interested in approximately 40.80% of the total issued shares of the Company, i.e. 1,566,800,000 Shares, including:
 - 76,800,000 Shares owned as beneficial owner, representing approximately 2.00% of the issued share capital of the Company;
 - 1,310,000,000 Shares, representing approximately 34.11% of the share capital of the Company. Mr. Zhang Yan is interested in the entire issued share capital of Sulfulon International Limited and he is therefore deemed to be interested in the Shares held by Sulfulon International Limited by virtue of the SFO;
 - 180,000,000 Shares, representing approximately 4.69% of the share capital of the Company. Mr. Zhang Yan is interested in the entire issued share capital of Infinities Investment Pte. Ltd., which is wholly-owned by Infinities Super Holding Limited. Infinities Super Holding Limited is a company incorporated in the Cayman Islands with limited liability and is wholly-owned by Mr. Zhang Yan. Therefore, Mr. Zhang Yan is deemed to be interested in the Shares held by Infinities Investment Pte. Ltd. by virtue of the SFO.
- Ms. Zheng Xin is the spouse of Mr. Zhang Yan and she is therefore deemed to be interested in the Shares held by Mr. Zhang Yan by virtue of the SFO.



SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the “**Share Option Scheme**”) conditionally adopted by our Company on 24 January 2016.

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The scheme is valid and effective for a period of ten years commencing from the date of adoption of the scheme.

Eligible participants of the Share Option Scheme include:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:
 - (aa) contribution to the development and performance of the Group;
 - (bb) quality of work performed for the Group;
 - (cc) initiative and commitment in performing his/her duties; and
 - (dd) length of service or contribution to the Group.

As at 30 June 2023, the total number of shares available for issue under the scheme is 192,000,000 Shares, representing 5% of the issued capital of the Company. The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of

the Company but subsequently cancelled (the “**Cancelled Shares**”) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular and the approval of the Shareholders in general meeting.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted.

Upon acceptance of an option to subscribe for shares granted pursuant to the scheme (the “**Option**”), the eligible participant shall pay HKD1.00 to the Company as consideration for the grant. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the Options, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 trading days immediately preceding the date of grant of the Options; and
- (iii) the nominal value of a Share.

No option has been granted as at 30 June 2023 and since the adoption of the scheme.

COMPETING INTEREST

None of the Directors or the Controlling Shareholders or the substantial shareholders of the Company or their respective associates has any interest in any business which competed or may compete with the business of the Group during the reporting period.



CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the Controlling Shareholders during the reporting period.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director had a material interest in, whether directly or indirectly, and subsisted as at 30 June 2023 or at any time during the reporting period.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

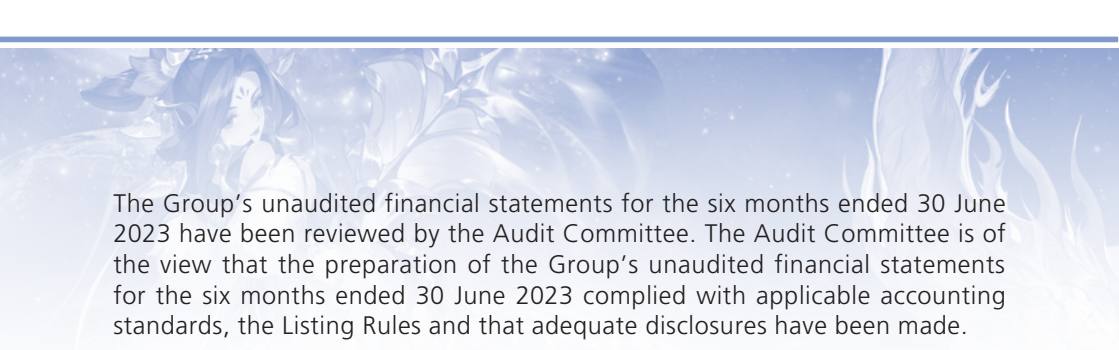
Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

AUDIT COMMITTEE

We established the Audit Committee on 24 January 2016. The chairman of the Audit Committee is Mr. Tam Chik Ngai Ambrose, an independent non-executive Director, and other members include our independent non-executive Directors. The written terms of reference of the Audit Committee are published on the Main Board website and the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.



The Group's unaudited financial statements for the six months ended 30 June 2023 have been reviewed by the Audit Committee. The Audit Committee is of the view that the preparation of the Group's unaudited financial statements for the six months ended 30 June 2023 complied with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

CHANGE IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

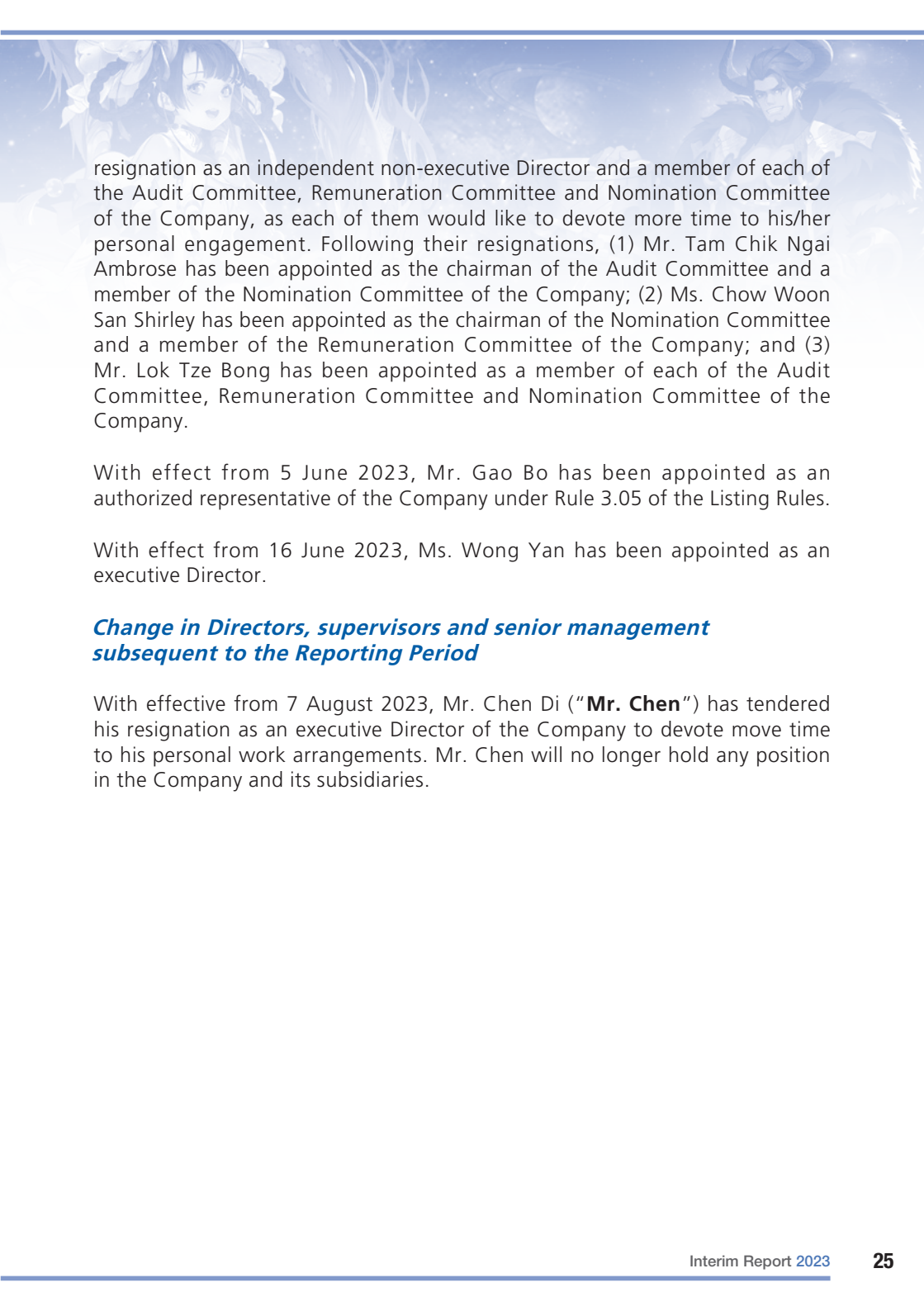
Change in Directors, supervisors and senior management during the Reporting Period

With effect from 30 March 2023, Mr. Tam Chik Ngai Ambrose and Ms. Chow Woon San Shirley has been appointed as an independent non-executive Director, respectively.

With effect from 31 March 2023, (1) Mr. Gao Bo has been appointed as an executive Director and (2) Mr. Zhou Zhiwei has been appointed as the chief executive officer of the Company and an executive Director.

With effect from 12 April 2023, Mr. Lok Tze Bong has been appointed as an independent non-executive Director. On the same date, (1) Mr. Zhou Kun has tendered his resignation as an executive Director of the Company; (2) Mr. Yang Zhen has tendered his resignation as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee of the Company as each of them would like to devote more time to his personal engagement. Following the resignation of Mr. Yang Zhen, (1) Mr. Tam Chik Ngai Ambrose has been appointed as the chairman of the Remuneration Committee and a member of the Audit Committee of the Company; and (2) Ms. Chow Woon San Shirley has been appointed as a member of the Audit Committee and the Nomination Committee of the Company.

With effect from 30 May 2023, (1) Mr. Zhang Yan has tendered his resignation as a non-executive Director, the Chairman of the Board and the chairman of the Nomination Committee of the Company; (2) Ms. Yang Kan has tendered her resignation as a non-executive Director of the Company; (3) Mr. Chan King Fai has tendered his resignation as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee of the Company; and (4) Ms. Zhuang Renyan has tendered her



resignation as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company, as each of them would like to devote more time to his/her personal engagement. Following their resignations, (1) Mr. Tam Chik Ngai Ambrose has been appointed as the chairman of the Audit Committee and a member of the Nomination Committee of the Company; (2) Ms. Chow Woon San Shirley has been appointed as the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company; and (3) Mr. Lok Tze Bong has been appointed as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

With effect from 5 June 2023, Mr. Gao Bo has been appointed as an authorized representative of the Company under Rule 3.05 of the Listing Rules.

With effect from 16 June 2023, Ms. Wong Yan has been appointed as an executive Director.

Change in Directors, supervisors and senior management subsequent to the Reporting Period

With effective from 7 August 2023, Mr. Chen Di (“**Mr. Chen**”) has tendered his resignation as an executive Director of the Company to devote more time to his personal work arrangements. Mr. Chen will no longer hold any position in the Company and its subsidiaries.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE

	Notes	2023 HKD'000 (unaudited)	2022 HKD'000 (unaudited)
Revenue	4	64,540	52,428
Direct costs		(11,979)	(14,524)
Gross profit		52,561	37,904
Other income	4	594,596	29,325
Distribution costs		(25,093)	(24,819)
Administrative expenses		(16,322)	(11,435)
Finance costs		(9,095)	(9,427)
Profit before income tax	5	596,647	21,548
Income tax expense	6	(4,352)	(2,315)
Profit for the period		592,295	19,233
Other comprehensive income: Item that may be reclassified subsequently to profit or loss — Exchange differences on translation of foreign operations		5,064	268
Other comprehensive income for the period		5,064	268
Total comprehensive income for the period		597,359	19,501
Profit for the period attributable to:			
Owners of the Company		586,383	20,407
Non-controlling interests		5,912	(1,174)
		592,295	19,233
Total comprehensive income attributable to:			
Owners of the Company		590,793	20,747
Non-controlling interests		6,566	(1,246)
		597,359	19,501
		HKD cents	HKD cents
Earnings per share			
Basic and diluted	8	15.27	0.53

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
Non-current assets			
Property, plant and equipment	9	2,871	3,200
Intangible assets	10	10,638	3,218
Right-of-use assets	11	771	1,779
Deposits		49,327	49,759
		63,607	57,956
Current assets			
Trade receivables	12	15,978	9,832
Prepayments, deposits and other receivables		14,604	2,380
Cash and cash equivalents	13	102,385	119,544
		132,967	131,756
Current liabilities			
Other payables	14	15,395	17,881
Promissory notes	15	—	416,216
Deferred revenue	16	1,754	7
Lease liabilities	11	702	987
Tax payables		4,503	3,725
		22,354	438,726
Net current assets/(liabilities)		110,613	(306,970)
Total assets less current liabilities		174,220	(249,014)

	Notes	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
Non-current liabilities			
Lease liabilities	11	100	762
Promissory notes	15	—	168,041
Deferred tax liabilities		3,363	3,437
		3,463	172,240
Net assets/(liabilities)			
		170,757	(421,254)
Equity			
Share capital	17	3,200	3,200
Reserves		157,584	(433,209)
Equity attributable to owners of the Company			
		160,784	(430,009)
Non-controlling interests		9,973	8,755
Total equity/(deficit)			
		170,757	(421,254)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company										
	Share capital HKD'000	Share premium* HKD'000	Capital reserve* HKD'000	Merger reserve* HKD'000	Statutory reserve* HKD'000	Share based payment reserve* HKD'000	Foreign exchange reserve* HKD'000	Retained profits/ (Accumulated losses)* HKD'000	Total HKD'000	Non-controlling interests HKD'000	Total equity/ (deficit) HKD'000
For the six months ended 30 June 2022 (unaudited)											
As at 1 January 2022	3,200	41,782	17,220	13,800	379	3,310	(576)	(540,504)	(461,389)	5,750	(455,639)
Profit for the period	—	—	—	—	—	—	—	20,407	20,407	(1,174)	19,233
Other comprehensive income for the period:											
— Exchange differences on translation of foreign operations	—	—	—	—	—	—	340	—	340	(72)	268
Total comprehensive income for the period	—	—	—	—	—	—	340	20,407	20,747	(1,246)	19,501
Deemed Disposal of partial interest in a subsidiary without losing control	—	—	—	—	—	—	—	68	68	165	233
As at 30 June 2022	3,200	41,782	17,220	13,800	379	3,310	(236)	(520,029)	(440,574)	4,669	(435,905)
For the six months ended 30 June 2023 (unaudited)											
As at 1 January 2023	3,200	41,782	17,220	13,800	379	3,310	535	(510,235)	(430,009)	8,755	(421,254)
Profit for the period	—	—	—	—	—	—	—	586,383	586,383	5,912	592,295
Other comprehensive income for the period:											
— Exchange differences on translation of foreign operations	—	—	—	—	—	—	4,410	—	4,410	654	5,064
Total comprehensive income for the period	—	—	—	—	—	—	4,410	586,383	590,793	6,566	597,359
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(7,727)	(7,727)
Disposal of a subsidiary (note 19)	—	—	—	—	—	—	—	—	—	2,379	2,379
As at 30 June 2023	3,200	41,782	17,220	13,800	379	3,310	4,945	76,148	160,784	9,973	170,757

* The aggregate balances of the reserve amounts of approximately HKD157,584,000 are included as reserves as at 30 June 2023 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	2023 <i>HKD'000</i> (unaudited)	2022 <i>HKD'000</i> (unaudited)
Net cash used in operating activities	(7,731)	(208,976)
Net cash used in investing activities	(7,330)	(1,969)
Net cash used in financing activities	(8,674)	(3,222)
Net decrease in cash and cash equivalents	(23,735)	(214,167)
Cash and cash equivalents at beginning of period	119,544	347,755
Effect of foreign exchange rate changes	6,576	378
Cash and cash equivalents at end of period	102,385	133,966



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. GENERAL INFORMATION

Fire Rock Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 3 November 2014. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 20 Science Park Road, #02-25 Teletech Park, Singapore 117674.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation, on the basis of licensing self-developed browser and mobile games to licensed operators around the world (“**Game Development**”), assist the third parties in promoting game-related business and provide intellectual property rights licensing services to enterprises (“**Game Publishing and Operation**”). The Group also self-operates self-developed game products in overseas markets.

The condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months ended 30 June 2023, as well as a summary of significant accounting policies and other explanatory information (collectively, the “**Interim Condensed Financial Statements**”) are unaudited, but have been reviewed by the audit committee of the Company and approved for issue by the board of directors on 21 August 2023.

2. BASIS OF PREPARATION

(a) *Statement of compliance*

The Interim Condensed Financial Statements for the six months ended 30 June 2023 has been prepared in accordance with the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are effective for the Group’s financial year beginning 1 January 2023, the accounting policies applied in preparing this unaudited Interim Condensed Financial Statements for the six months ended 30 June 2023 are consistent with those of the annual financial statements for the year ended 31 December 2022 issued by the Company on 27 July 2023, as described in those annual financial statements except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2023. The adoption of the new or amended HKFRSs in the current interim period has no impact on the Group’s Interim Condensed Financial Statements. The Interim Condensed Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

(b) *Basis of measurement*

The unaudited Interim Condensed Financial Statements has been prepared on the historical cost basis, as modified by the revaluation of certain financial assets which are held at fair value.

3. SEGMENT INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions.

For the six months ended 30 June 2023 and 2022, the Group has two reportable segments. These segments are managed separately as each business offers different products and services which require different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Game and software development and publishing
- Game operation and publishing — mobile game operation and/or publishing for earning game operation income

	For the six months ended 30 June	
	2023 HKD'000 (unaudited)	2022 HKD'000 (unaudited)
Revenue from customers:		
Game and software development and publishing	265	58
Game operation and publishing	64,275	52,370
	64,540	52,428

Certain corporate income and expenses are not allocated to the operating segments as they are not included in the measure of the segment's profit that is used by the chief operating decision-maker for assessment of segment performance.

Information regarding the Group's reportable segments for the six months ended 30 June 2023 and 2022 is set out below.

For the six months ended 30 June 2023

	Game and software development and publishing <i>HKD'000</i> (unaudited)	Game operation and publishing <i>HKD'000</i> (unaudited)	Total <i>HKD'000</i> (unaudited)
Revenue from external customers	265	64,275	64,540
Reportable segment (loss)/profit	(6,987)	17,408	10,421
Interest income	15	47	62
Finance costs	22	5	27
Depreciation and amortisation	1,351	272	1,623
Additions to non-current assets	112	56	168

As at 30 June 2023

	Game and software development and publishing <i>HKD'000</i> (unaudited)	Game operation and publishing <i>HKD'000</i> (unaudited)	Total <i>HKD'000</i> (unaudited)
Reportable segment assets	106,162	43,814	149,976
Reportable segment liabilities	3,294	16,321	19,615

For the six months ended 30 June 2022

	Game and software development and publishing <i>HKD'000</i> (unaudited)	Game operation and publishing <i>HKD'000</i> (unaudited)	Total <i>HKD'000</i> (unaudited)
Revenue from external customers	58	52,370	52,428
Reportable segment (loss)/profit	(3,725)	9,261	5,536
Interest income	115	8	123
Finance costs	12	13	25
Depreciation and amortisation	412	1,443	1,855
Additions to non-current assets	3,246	65	3,311

As at 31 December 2022

	Game and software development and publishing <i>HKD'000</i> (audited)	Game operation and publishing <i>HKD'000</i> (audited)	Total <i>HKD'000</i> (audited)
Reportable segment assets	100,995	45,121	146,116
Reportable segment liabilities	6,483	12,171	18,654

Reconciliation of reportable segment profit, assets and liabilities:

For the six months ended 30 June

	2023 <i>HKD'000</i> (unaudited)	2022 <i>HKD'000</i> (unaudited)
<i>Profit before income tax</i>		
Reportable segment profit	10,421	5,536
Unallocated interest income	27	4
Unallocated corporate profit	586,199	16,008
Consolidated profit before income tax	596,647	21,548
	As at 30 June 2023 <i>HKD'000</i> (unaudited)	As at 31 December 2022 <i>HKD'000</i> (audited)
<i>Assets</i>		
Reportable segment assets	149,976	146,116
Unallocated corporate assets	46,598	43,596
Consolidated total assets	196,574	189,712
<i>Liabilities</i>		
Reportable segment liabilities	19,615	18,654
Unallocated corporate liabilities	6,202	592,312
Consolidated total liabilities	25,817	610,966

Unallocated expenses mainly represent administrative expenses, which mainly included salaries and bonus, donation, legal and professional fee and depreciation of right-of-use assets.

(b) Disaggregation of revenue from customers by geographic market and timing of revenue

The Company is an investment holding company incorporated in the Cayman Islands and the principal place of the Group's operation is the Asia Pacific. Accordingly, management determines that the Group is domiciled in the Asia Pacific.

In the following table, revenue is disaggregated by primary geographical markets and the timing of revenue recognition.

	For the six months ended 30 June	
	2023	2022
	HKD'000	HKD'000
	(unaudited)	(unaudited)
Primary geographical markets*		
Asia Pacific	64,540	52,428

* Based on the location of licensed operators and game operation.

	For the six months ended 30 June	
	2023	2022
	HKD'000	HKD'000
	(unaudited)	(unaudited)
Timing of revenue recognition		
Over time	—	—
At a point in time	64,540	52,428
	64,540	52,428

	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
Non-current assets		
Thailand	1,480	1,773
People's Republic of China (the "PRC")	4,039	—
Hong Kong	50,198	51,015
Singapore	7,890	5,168
	63,607	57,956

Note: Non-current assets exclude financial instruments.

(c) Information about major licensed operators

There was no revenue from customers individually contributing over 10% to the total revenue of the Group for the six months ended 30 June 2023.

4. REVENUE AND OTHER INCOME

	For the six months ended 30 June	
	2023 HKD'000 (unaudited)	2022 HKD'000 (unaudited)
Revenue		
Game and software development and publishing	265	58
Game operation and publishing	64,275	52,370
	64,540	52,428
Other income		
Interest income	89	127
Government grants	211	—
Gain on disposal of a subsidiary (note 19)	1,884	—
Exchange gain, net	17,524	29,122
Surrender of Promissory notes	574,716	—
Others	172	76
	594,596	29,325

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

	For the six months ended 30 June	
	2023	2022
	HKD'000	HKD'000
	(unaudited)	(unaudited)
Depreciation of plant and equipment*	442	1,490
Depreciation of right-of-use assets*	552	366
Amortisation of intangible assets**	628	—
Interest expense on promissory notes	8,231	8,802
Imputed interest expenses on promissory notes	837	600
Interest expense on lease liabilities	27	25
Exchange gain, net	(17,524)	(29,122)
Employee costs (including directors' remuneration)	7,371	4,562

* Included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

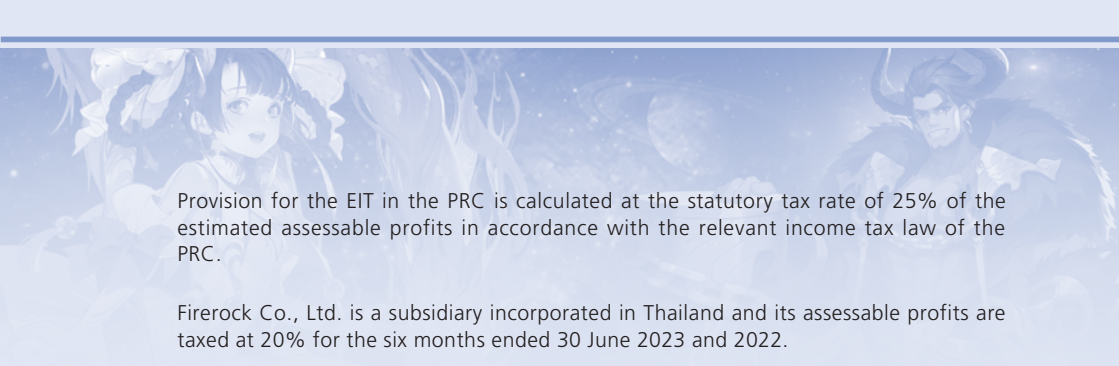
** Included in direct costs in the condensed consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2023	2022
	HKD'000	HKD'000
	(unaudited)	(unaudited)
Current period — Thailand Corporate Income Tax ("CIT")		
— Tax for the period	4,352	2,315

No Hong Kong Profits Tax was provided as the Group has no estimated assessable profits derived from or arising in Hong Kong during the six months ended 30 June 2023 and 2022.

No Singapore Corporate Income Tax was provided as the Group has no estimated assessable profits derived from or arising in Singapore during the six months ended 30 June 2023 and 2022.



Provision for the EIT in the PRC is calculated at the statutory tax rate of 25% of the estimated assessable profits in accordance with the relevant income tax law of the PRC.

Firerock Co., Ltd. is a subsidiary incorporated in Thailand and its assessable profits are taxed at 20% for the six months ended 30 June 2023 and 2022.

Under Thailand CIT law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprise established in Thailand.

7. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HKD586,383,000 (for the six months ended 30 June 2022: approximately HKD20,407,000) and the weighted average number of 3,840,000,000 ordinary shares (for the six months ended 30 June 2022: 3,840,000,000 ordinary shares) in issue during the period.

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 June 2023 and 2022.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2023, the Group incurred additions to property, plant and equipment of HKD168,000 (six months ended 30 June 2022: approximately HKD658,000).

10. INTANGIBLE ASSETS

For the six months ended 30 June 2023, additional development costs of approximately HKD7,419,000 (for the six months ended 30 June 2022: approximately HKD962,000).

11. LEASE

Right-of-use assets

During the six months ended 30 June 2023, the Group did not enter into any new lease agreements (six months ended 30 June 2022: addition of new leases of approximately HKD1,691,000).

Lease liabilities

	As at 30 June 2023		As at 31 December 2022	
	Present value of minimum lease payment HKD'000 (unaudited)	Total minimum lease payment HKD'000 (unaudited)	Present value of minimum lease payment HKD'000 (audited)	Total minimum lease payment HKD'000 (audited)
Maturity analysis:				
Within 1 year	702	717	987	1,028
After 1 year but within 2 years	100	112	557	620
After 2 years but within 5 years	—	—	205	155
	802	829	1,749	1,803
Less: Interest		(27)		(54)
		802		1,749
Analysed as:				
Non-current		100		762
Current		702		987
		802		1,749

12. TRADE RECEIVABLES

The Group allows credit period within 120 days to its licensed operators, third party game distribution platforms and payment channels. The aging analysis of trade receivables at the end of the reporting period, based on invoice date is as follows:

	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
0–30 days	15,978	9,832

The Group does not hold any collateral over these balances.

13. CASH AND CASH EQUIVALENTS

	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
Cash at banks and in hand	102,385	119,544

Cash at banks earns interest at floating rate based on daily bank deposit rates.

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

14. OTHER PAYABLES

	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
Other payables	3,007	1,057
Accruals	12,388	9,160
Amounts due to a deconsolidated subsidiary (<i>note</i>)	—	7,664
	15,395	17,881

Note: The balance represents the amounts owed by the Company and certain subsidiaries of the Group to Shenzhen Fire Element. The amounts are interest-free, unsecured and repayable on demand.

15. PROMISSORY NOTES

	As at 30 June 2023 HKD'000 (unaudited)	As at 31 December 2022 HKD'000 (audited)
At beginning of the period	584,167	618,813
Accrued interest expenses	8,231	17,096
Imputed interest accrued	837	1,307
Surrender of Promissory notes (<i>note</i>)	(547,716)	—
Exchange alignment recognised in profit or loss	(18,519)	(53,049)
At end of the period	—	584,167

Note: On 30 June 2023, the Company, the promissory note holder and their respective ultimate beneficial owners have all agreed upon negotiation to procure all the promissory note holder to surrender the Promissory Notes to the Company and give up the right to the outstanding principal and the respective interests payable as at 30 June 2023.

16. DEFERRED REVENUE

Deferred revenue represented unamortised portion of revenue received in respect of in-game purchase paid by the paying players in the Group's game operation segment. Deferred revenue is classified as contract liability under HKFRS 15 "Revenue from Contracts with Customers".

17. SHARE CAPITAL

	Number of shares	Amount HKD'000
Authorised:		
At 31 December 2022, 1 January 2023 and 30 June 2023	24,000,000,000	20,000,000
Issued and fully paid:		
At 31 December 2022, 1 January 2023 and 30 June 2023	3,840,000,000	3,200,000

18. RELATED PARTY TRANSACTIONS

Emoluments of key management personnel

Emoluments paid or payable to members of the key management personnel, who are directors, the chief executive officer and senior management, for their service are set out below:

	For the six months ended 30 June	
	2023 <i>HKD'000</i> (unaudited)	2022 <i>HKD'000</i> (unaudited)
Salaries, allowances and benefits in kind	1,095	660
Contributions to defined contribution retirement plan	44	9
	1,139	669

19. DISPOSAL OF A SUBSIDIARY

On 1 March 2023, the Group disposed its entire equity interest in Lord Metaverse Co., Ltd. ("**Lord Metaverse**"), a subsidiary of the Group, at a cash consideration of THB810,000 (approximately HKD185,000).

The following summarises the net liabilities of the Lord Metaverse at the date of the Disposal and gain on disposal of subsidiaries:

Analysis of assets and liabilities of Lord Metaverse at the date of disposal were as follows:

	<i>HKD'000</i>
Bank balances and cash	100
Other payables	(9)
Amount due to Firerock Capital Pte. Ltd.	(4,169)
Net liabilities disposed of	4,078

Gain on disposal of Lord Metaverse:

	<i>HKD'000</i>
Cash consideration	185
Net liabilities disposed of	4,078
Non-controlling interests	(2,379)
	1,884

An analysis of the cash flows in respect of the Disposal is as follows:

	<i>HKD'000</i>
Cash outflow arising on disposal of subsidiary:	
Cash and bank balances disposed of	(100)

20. EVENTS AFTER THE REPORTING PERIOD

- (a) On 1 August 2023, the Company entered two sale and purchase agreements to dispose of the entire interests in Shenzhen Fire Element Network Technology Company Limited, Shenzhen Fire Element Network Science and technology Company Limited, Shenzhen Tak Shing Technology Limited and Shenzhen Viking Network Technology Co., Limited (collectively referred as to the “**PRC Major Subsidiaries**”) in which the PRC Major Subsidiaries were deconsolidated from the Group since 4 December 2021, at a cash consideration of RMB20,000 (approximately HKD21,675) in aggregate to an independent third party.
- (b) On 15 August 2023, USD2,500,000 (approximately HKD19,500,000) has been fully refunded from the Vendor to the Group in relation to the acquisition of certain equity shares of the Target (which is a licensed corporation engaged in the provision of digital payment services in Singapore).

By order of the Board
Fire Rock Holdings Limited
Wong Yan
Executive Director

Hong Kong, Monday, 21 August 2023

As at the date of this report, the executive Directors are Mr. Zhou Zhiwei, Mr. Gao Bo and Ms. Wong Yan; and the independent non-executive Directors are Mr. Tam Chik Ngai, Ambrose, Ms. Chow Woon San, Shirley and Mr. Lok Tze Bong.