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**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)

**DISCLOSEABLE TRANSACTION**  
**SUPPLEMENTAL DEED IN RELATION TO THE ACQUISITION OF**  
**INTERESTS IN SUMMER MOUNTAIN LIMITED**

Reference is made to the announcements of the Company dated 7 May 2023 and 30 June 2023 (the “**Announcements**”) in relation to the Sale and Purchase Agreement dated 5 May 2023 entered into among the Company and the Vendors (the “**Original Sale and Purchase Agreement**”), pursuant to which, among other things, Vendor 1 and Vendor 2 agreed to sell and the Company agreed to acquire Sale Shares 1 and Sale Shares 2 representing approximately 53.33% and 46.67% respectively of the issued share capital of the Target Company, for a total consideration of RMB80 million. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

**AMENDMENTS TO THE ORIGINAL SALE AND PURCHASE AGREEMENT**

On 22 December 2023, the Company entered into a supplemental deed with the Vendors (the “**Supplemental Deed**”), pursuant to which, among other things, the Company and the Vendors have agreed to (i) terminate the sale and purchase of the Sale Shares 1 between Vendor 1 and the Company, as well as terminate all other rights and obligations of Vendor 1 under the Original Sale and Purchase Agreement; (ii) supplement and modify the terms of the sale and purchase of the Sale Shares 2 between Vendor 2 and the Company under the Original Sale and Purchase Agreement as outlined below in the paragraph headed “Acquisition of 15.63% interests in the Target Company”, whereby the Company will now acquire 15.63% of the issued share capital of the Target Company from Vendor 2; and (iii) terminate the Company’s obligations to issue the Promissory Notes.

Pursuant to the Supplemental Deed, instead of acquiring the entire interests in the Target Company from the Vendors as contemplated under the Original Sale and Purchase Agreement, the Company will now acquire approximately 15.63% of the issued share capital of the Target Company from Vendor 2. As of the date of this announcement, the Acquisition contemplated under the Original Sale and Purchase Agreement has not yet been completed.

## **ACQUISITION OF 15.63% INTERESTS IN THE TARGET COMPANY**

### **Assets to be acquired and the Amended Consideration**

Pursuant to the Supplemental Deed, the asset to be acquired has been amended from the entire issued share capital of the Target Company, to 1,563 ordinary shares (the “**Amended Sale Shares**”), representing approximately 15.63% of the entire issued share capital of the Target Company (the “**Amended Acquisition**”), at a consideration of RMB12.5 million (the “**Amended Consideration**”).

As stated in the Announcements, a deposit in the amount of RMB12.5 million, which is equivalent to the amount of the Amended Consideration, has been paid by the Company to Vendor 2 in cash upon signing of the MOU. According to the Supplemental Deed, it has been agreed that such amount shall be deemed the full and final consideration payable and duly settled by the Company in relation to the Amended Sale Shares.

### **Basis for the determination of the Amended Consideration**

As disclosed in the Announcements, the Total Consideration was determined after arm’s length negotiations between the Company and the Vendors on normal commercial terms after taking into account, among others things, the valuation of the market value of 100% equity interests in the PRC Subsidiary as at 31 March 2023 by Peak Vision, being approximately RMB94.1 million. Since the subject asset to be acquired has now been changed to the Amended Sale Shares, the consideration was adjusted to the Amended Consideration accordingly. The Amended Consideration represents the corresponding value of the Amended Sale Shares against the Total Consideration originally agreed under the Original Sale and Purchase Agreement.

Based on the above, the Board is of the view that the Amended Consideration is fair and reasonable and in the interest of the Company and Shareholders as a whole.

### **Profit Guarantee**

Due to the Company’s decreased shareholding in the Target Company under the Amended Acquisition, the Company and the Vendors have agreed to remove the provision in relation to the profit guarantee.

## **Conditions Precedent and Completion**

No changes have been made to the conditions precedent previously outlined in the Announcements, save for the long stop date for fulfilling such conditions, which shall be no later than 29 February 2024. Save for condition (iv) as stated in the 7 May 2023 announcement of the Company, all conditions have been fulfilled as at the date of this Announcement.

Completion of the Amended Acquisition shall take place on a date when all the conditions precedent under the Original Sale and Purchase Agreement have been fulfilled or waived by the Company (as the case may be), or on such other date the Company and Vendor 2 may agree in writing.

Following the acquisition of the Amended Sale Shares, the Company will become a minority shareholder holding approximately 15.63% of the entire issued share capital of the Target Company, whereas Vendor 1 and Vendor 2 will hold approximately 53.33% and 31.04% respectively of the entire issued share capital of the Target Company. The financial statements of the Target Company will not be consolidated into the financial statements of the Company.

## **The Promissory Notes**

The Company's obligations to issue the Promissory Notes have been terminated, given that the Amended Consideration has already been fully settled.

## **Financial Information of the Target Group**

No audited financial statements have been prepared by the Target Company as there is no statutory audit requirement under the relevant rules and regulations in the British Virgin Islands.

Set out below is a summary of the financial information of the PRC Subsidiary, being the only operating entity of the Target Group, as extracted from its audited reports for the years ended 31 December 2021 and 2022 and for the nine months period ended 30 September 2023:

	<b>For the year ended 31 December</b>		<b>For the nine months period ended 30 September</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	59,261	89,522	62,731
Net profit before tax	11,570	10,843	10,461
Net profit after tax	8,682	9,218	9,524

The total assets, total liabilities and net assets of the PRC Subsidiary as at 30 September 2023 according to the audited financial statements for the nine months period ended 30 September 2023 were approximately RMB52.9 million, RMB25.0 million and RMB27.9 million respectively.

#### **REASONS FOR AND BENEFITS OF THE AMENDED ACQUISITION**

As stated in the Announcements, the Group has been actively seeking to diversify its revenue sources and reduce dependence on the existing gaming business, so as to strengthen the Group's business development, thereby enhancing the overall performance of the Group's business and bringing substantial returns to the Shareholders.

Although the Supplemental Deed has varied the terms of the Acquisition such that the Company is no longer acquiring the entire shareholding of the Target Company, the Company continues to hold positive views towards the financial performance and prospects of the Target Company. Through the acquisition of approximately 15.63% of the shareholding in the Target Company, the Company will act as a passive investor, effectively expanding the Company's growth in areas such as online store operation, game public relations and promotion, and online game livestreaming. Further, the Company's future financial burden will be relaxed as the Company is no longer obligated to issue the Promissory Notes.

Taking into account of the above, the Directors consider that the terms of the Supplemental Deed are fair and reasonable and on normal commercial terms and the entering into of the Supplemental Deed is in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Amended Acquisition is more than 5% but less than 25%, the Amended Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

**Saved as disclosed above, all other information as set out in the Announcements remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcements. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

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

Hong Kong, 22 December 2023

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