国美金融科技
GOME FINTECH

國 美 金 融 科 技 有 限 公 司

Gome Finance Technology Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock Code: 628)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "**Board**") of directors (the "**Directors**") of Gome Finance Technology Co., Ltd. (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023. The condensed consolidated interim results are unaudited, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

HIGHLIGHTS

Revenue increased substantially from RMB39.6 million for the six months ended 30 June 2023 to RMB60.8 million for the six months ended 30 June 2024. Operating profit for the six months ended 30 June 2024 increased substantially by 860% to RMB33.6 million (six months ended 30 June 2023: RMB3.5 million).

Profit for the six months ended 30 June 2024 was RMB25.4 million (six months ended 30 June 2023: loss of RMB2.2 million).

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

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

For the six months ended 30 June 2024

		For the six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**60,804**	39,557
Other income and other losses	*4*	**(3,631)**	(19,177)
Administrative expenses		**(15,847)**	(9,918)
Marketing expenses		**(5,849)**	–
Provision for expected credit loss on trade and loan receivables, net		**(1,874)**	(2,384)
Finance costs	*6*	**(7)**	(4,572)
Profit before tax	*5*	**33,596**	3,506
Income tax expense	*7*	**(8,208)**	(5,735)
Profit/(loss) for the period		**25,388**	(2,229)

	Notes	For the six months ended 30 June **2024** *RMB'000* **(Unaudited)**	2023 *RMB'000* (Unaudited)
Profit/(loss) for the period		**25,388**	(2,229)
Other comprehensive income for the period:			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**7,499**	32,213
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**726**	–
		8,225	32,213
Total comprehensive income for the period		**33,613**	29,984
Profit/(loss) for the period attributable to:			
Owners of the Company		**25,275**	(2,229)
Non-controlling interests		**113**	–
		25,388	(2,229)
Total comprehensive income attributable to:			
Owners of the Company		**32,975**	29,984
Non-controlling interests		**638**	–
		33,613	29,984
Earnings/(loss) per share			
Basic	*8*	**RMB0.89 cents**	RMB(0.08) cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	**30 June 2024 *RMB'000* (Unaudited)**	31 December 2023 *RMB'000* (Audited)
Non-current assets			
Prepayment	*11*	**368,000**	368,000
Property, plant and equipment		**29**	31
Right-of-use assets	*9(a)*	**431**	627
Goodwill		**451,306**	–
Intangible assets	*9(b)*	**224,258**	–
Deferred tax assets		**3,334**	2,875
Total non-current assets		**1,047,358**	371,533
Current assets			
Trade and loan receivables	*10*	**1,216,271**	1,043,488
Prepayments, deposits and other receivables	*11*	**14,957**	2,802
Financial asset at fair value through profit or loss		**18,000**	–
Cash and cash equivalents	*12*	**194,058**	284,383
Total current assets		**1,443,286**	1,330,673
Current liabilities			
Trade payables	*13*	**28,124**	50
Other payables and accruals		**14,902**	5,777
Tax payables		**12,088**	11,617
Lease liabilities		**287**	567
Total current liabilities		**55,401**	18,011
Net current assets		**1,387,885**	1,312,662
Net assets		**2,435,243**	1,684,195

	Notes	**30 June 2024** *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Equity			
Share capital	*14*	**45,824**	230,159
Reserves		**2,193,648**	1,454,035
Equity attributable to owners of the Company		**2,239,472**	1,684,194
Non-controlling interests		**195,771**	1
Total equity		**2,435,243**	1,684,195

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1 BASIS OF PREPARATION

Corporate information

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**HKEx**" or the "**Stock Exchange**"). The principal place of business of the Company in Hong Kong is located at Suite 2912, 29th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Upon the completion of the acquisition as detailed in note 17, in the opinion of the Directors, the ultimate controlling shareholders of the Company are Mr. Wong Kwong Yu ("**Mr. Wong**") and Ms. Du Juan ("**Ms. Du**"), through Mega Bright Capital Resources Limited, a company incorporated in Hong Kong with limited liability, and Swiree Capital Limited, a company incorporated in the British Virgin Islands with limited liability, respectively. Mr. Wong and Ms. Du are hereinafter collectively referred to as the "Controlling Shareholders".

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise provision of commercial factoring, financial leasing and other financial services in the People's Republic of China ("**PRC**") and provision of online advertising services and top-up services.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**") which is different from the Company's functional currency of Hong Kong dollars ("**HKD**"), and all values are rounded to the nearest thousand except when otherwise indicated.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the HKEx.

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss, which are measured at fair values, as appropriate.

Other than additional/changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the annual consolidated financial statements of the Group for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

New principal accounting policies

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or HK(IFRIC)-Int 21 "Levies", in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 "Leases") as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Intangible assets

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) *Advertising service income*

The Group provides advertising services primarily through display of impressions or clicks of the advertisement/embedded hyperlinks on particular areas of the Group's mobile games. The service fee from customers is charged primarily on the basis of per number of click or per duration of display time. Advertising revenue is recognised at a point in time once the advertisement/embedded hyperlinks being clicked or displayed.

(b) *Top-up service income*

The Group engages in development and operation of mobile games. All mobile games of the Group are free to play. The Group offers virtual items to players. Players can purchase online points and convert them into various in-game virtual items for better in-game experience. In-game virtual items represent consumable items that can be consumed by player actions or expire over a predetermined expiration time. The service fee is paid directly by end players mainly via online payment channels or distributions. Given there is obligation to maintain the in-game virtual items and allow users to gain access and experience from them, top-up revenue is recognised over time when services are rendered to players.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the internal reports reviewed and used by executive directors of the Company for strategic decision making. The executive directors of the Company consider the business from a product and service perspective. The Group's businesses include commercial factoring business, other financing services and game development and publishing business segments. Summary of details of the operating segments which are categorised into the following reportable segments:

The Group commenced the business engaging in gaming development and publishing business during the six months ended 30 June 2024, along with the acquisition of GOME Faith International Investment Limited ("**GOME FIIL**"), GOME Faith Internet Technology Co, Limited ("**GOME FITL**") and CashBox Group Technology (Hong Kong) Limited ("**CashBox**") (as detailed in note 17), which is considered as a separate operating and reportable segment by the executive directors of the Company.

Operating segments	**Nature of business activities**
Commercial factoring business	Commercial factoring business in the PRC
Other financing services	Finance lease business, financial information service and consultation service in the PRC
Game development and publishing business	Provision of online advertising services and top-up services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that certain bank interest income, certain finance costs, net exchange loss, as well as items not specifically attributed to an individual reportable segment, such as unallocated corporate expenses, are excluded from such measurement.

Segment assets include all current and non-current assets with the exception of corporate assets which are not allocated to an individual reportable segment. Segment liabilities include all current and non-current liabilities with the exception of corporate liabilities which are unallocated to an individual reportable segment.

There are no intersegment sales or transfers among the segments.

	For the six months ended 30 June 2024 (Unaudited)			
	Commercial factoring business	**Other financing services**	**Game development and publishing business**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue:				
Revenue from external customers	**39,172**	**15,659**	**5,973**	**60,804**
Segment results	**34,226**	**13,410**	**172**	**47,808**
Reconciliation:				
Net exchange loss				**(6,978)**
Unallocated bank interest income				**1,725**
Finance costs				**(7)**
Other unallocated expenses				**(8,952)**
Profit before tax				**33,596**
Income tax expense				**(8,208)**
Profit for the period				**25,388**

	As at 30 June 2024 (Unaudited)			
	Commercial factoring business	**Other financing services**	**Game development and publishing business**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	**1,225,056**	**41,604**	**744,588**	**2,011,248**
Reconciliation:				
Unallocated corporate assets				**479,396**
Total assets				**2,490,644**
Segment liabilities	**6,945**	**5,262**	**28,124**	**40,331**
Reconciliation:				
Unallocated corporate liabilities				**15,070**
Total liabilities				**55,401**

	For the six months ended 30 June 2023 (Unaudited)		
	Commercial factoring business	Other financing services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue:			
Revenue from external customers	36,602	2,955	39,557
Segment results	32,876	1,346	34,222
Reconciliation:			
Net exchange loss			(24,398)
Unallocated bank interest income			3,913
Unallocated finance costs			(4,350)
Other unallocated expenses			(5,881)
Profit before tax			3,506
Income tax expense			(5,735)
Loss for the period			(2,229)

	As at 31 December 2023 (Audited)		
	Commercial factoring business	Other financing services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment assets	1,053,487	188,572	1,242,059
Reconciliation:			
Unallocated corporate assets			460,147
Total assets			1,702,206
Segment liabilities	10,556	2,088	12,644
Reconciliation:			
Unallocated corporate liabilities			5,367
Total liabilities			18,011

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC *(Note)*	**60,804**	39,557

Note: It represents the revenue from commercial factoring business, other financing services and game development and publishing business based on the locations of the customers and operations.

4 REVENUE, OTHER INCOME AND OTHER LOSSES

An analysis of revenue, other income and other losses is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue not within the scope of HKFRS 15		
Interest income from commercial factoring loan receivables	**39,172**	36,602
Revenue within the scope of HKFRS 15		
Advertising service income	**255**	–
Top-up service income	**5,718**	–
Financial information service income	**15,659**	2,955
	21,632	2,955
	60,804	39,557
Timing of revenue recognition within the scope of HKFRS 15		
A point in time	**15,914**	2,955
Over time	**5,718**	–
	21,632	2,955
Other income		
Bank interest income	**2,973**	5,218
Interest income from financial assets at fair value through profit or loss	**164**	–
Others	**210**	3
	3,347	5,221
Other losses		
Net exchange loss	**(6,978)**	(24,398)
	(3,631)	(19,177)

5 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	**6,963**	4,661
Retirement benefit scheme contributions	**535**	341
	7,498	5,002
Depreciation of right-of-use assets	**580**	583

6 FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expenses on:		
Bank borrowings	**–**	4,190
Bonds issued	**–**	353
Lease liabilities	**7**	29
	7	4,572

7 INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2024 and 2023. The PRC Enterprise Income Tax has been provided at the rate of 25% for the six months ended 30 June 2024 and 2023 on the estimated assessable profits arising in the PRC during the periods.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– the PRC	**7,749**	5,142
Deferred tax	**459**	593
Total tax expense for the period	**8,208**	5,735

8 EARNINGS/(LOSS) PER SHARE

The calculations of basic earnings/(loss) per share are based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	**25,275**	(2,229)

	For the six months ended 30 June	
	2024	2023
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	**2,838,486**	2,701,123

Diluted earnings/(loss) per share is not presented as the Company did not have any dilutive potential ordinary shares for the six months ended 30 June 2024 and 2023.

9 RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2024, the Group renewed two lease agreements and recorded addition of RMB384,000 (six months ended 30 June 2023: did not have any new lease agreement).

(b) Intangible assets

During the six months ended 30 June 2024, the Group acquired intangible assets at fair value of RMB224,032,000 at the acquisition date through business combinations (note 17) (six months ended 30 June 2023: Nil). The intangible assets comprise integrated game developing system amounting to RMB125,037,000 mobile games amounting to RMB19,743,000 and trademark amounting to RMB79,252,000. The integrated game developing system and the mobile games are amortised using the straight-line method over 5 years and 2 to 3 years, respectively. The trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group. As a result, the trademark is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

10 TRADE AND LOAN RECEIVABLES

	30 June 2024 *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Trade and loan receivables		
Commercial factoring loan receivables *(Note (a))*	**1,172,394**	1,054,831
Trade receivables *(Note (b))*	**57,224**	130
	1,229,618	1,054,961
Provision for expected credit loss ("**ECL**")	**(13,347)**	(11,473)
	1,216,271	1,043,488

Notes:

(a) For commercial factoring loan receivables arising from the Group's commercial factoring business, customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods range from 90 to 360 days (31 December 2023: 90 to 360 days). The effective interest rate of the commercial factoring loans range from 7.2% to 8% (31 December 2023: 7.5% to 12%) per annum as at 30 June 2024.

An ageing analysis of the commercial factoring loan receivables as at the end of the reporting period, based on maturity dates set out in the relevant contracts, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Not yet matured	**1,172,394**	1,054,831
Provision for ECL	**(13,347)**	(11,473)
	1,159,047	1,043,358

As at 30 June 2024 and 31 December 2023, none of the Group's loan receivables were past due.

(b) For trade receivables arising from the other financing services and game development and publishing business, customers are obliged to settle the amounts according to the terms set out in the relevant contracts. Trade receivables are due within 7 to 90 days from the invoice date.

Ageing analysis of trade receivables, based on the invoice date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
0 to 30 days	**21,347**	–
31 to 60 days	**16,372**	–
61 to 90 days	**15,416**	–
Over 90 days	**4,089**	130
	57,224	130

As at 30 June 2024 and 31 December 2023, the loss allowance was assessed to be minimal as the customers have good background and history of repayment.

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayment for acquisition of Tianjin Guanchuang Mei Tong Electronic Commerce Limited ("**TJGCMT**")	**576,000**	576,000
Deposits	**144**	203
Other prepayments	**951**	762
Other receivables	**13,862**	1,837
	590,957	578,802
Impairment loss on prepayment for acquisition of TJGCMT	**(208,000)**	(208,000)
	382,957	370,802

Carrying amount analysed for reporting purpose:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current assets	**14,957**	2,802
Non-current assets	**368,000**	368,000
	382,957	370,802

As disclosed in the Company's circular dated 29 June 2017, Gome Xinda Commercial Factoring Limited, a subsidiary of the Group, entered into a loan agreement on 7 June 2017 with Beijing Bosheng Huifeng Business Consulting Co., Limited (the "**OPCO**"), a company established in the PRC of which 90% equity interest is owned by Ms. Du, to provide a non-interest-bearing loan of RMB720 million to OPCO solely for the Group's purpose of acquiring the entire equity interest of TJGCMT from independent third parties, namely Tibet Yang Guan LLP and Mr. Mao Deyi (together the "**Sellers**"). On 25 July 2017, OPCO and the Sellers entered into an equity share transfer agreement (the "**Transfer Agreement**") pursuant to which OPCO agreed to buy and the Sellers agreed to sell the entire equity interest of TJGCMT. RMB576 million was paid by the Company to OPCO according to the aforesaid agreements and was recorded as prepayment under current assets since 2018 and was then reclassified as non-current assets since 2019.

According to the Transfer Agreement, the Transaction will only be considered as completed upon the change of actual controller of TJGCMT and such approval process is still under the review of the People's Bank of China (the "**PBOC**") or its affiliated institutions and the change of actual controller of TJGCMT has not been completed as at 30 June 2024 and up to the date of this announcement.

Taking into account the uncertainty about the estimated time it will take for PBOC to complete the approval process and the change of actual controller of TJGCMT, and also the overall macro environment in the PRC, a personal guarantee was offered and executed by Ms. Du (the "**Guarantee**") to guarantee the recoverability of the prepayment of RMB576 million on 23 March 2022. Pursuant to the Guarantee, Ms. Du undertook to request full refund either from the Sellers or through disposal of entire equity interest of TJGCMT if the Group, through OPCO, notify the Sellers to terminate the Transaction on or before 30 June 2024 and Ms. Du would make good any shortfall with the shares of the Company beneficially owned by her to the Group on or before 31 December 2024 if the Sellers/OPCO could not return the prepayment to the Group within 10 days from the date of notification.

On 25 March 2024, a new personal guarantee (the "**New Guarantee**") was offered by Mr. Wong, spouse of Ms. Du, to guarantee the recoverability of the prepayment of RMB576 million. Pursuant to the New Guarantee, Mr. Wong undertakes to request full refund either from the Sellers or through disposal of entire equity interest of TJGCMT ("**Disposal Action**"). If the Company decides to terminate the Transaction and cannot receive the proceeds resulting from the Disposal Action on or before 31 December 2025, Mr. Wong will make good any shortfall with his personal assets to the Group on or before 31 December 2026. The New Guarantee has become effective and replaced the Guarantee upon the signing date (i.e. 25 March 2024) and the Guarantee automatically became void upon taking effect of the New Guarantee.

Given the abovementioned facts and circumstances and with the information currently available to the Group, the Directors has decided to give some more time to wait for the Transaction to be completed. The Directors has also performed an impairment assessment in respect of the recoverability of the Group's prepayment of RMB576 million to the OPCO. The impairment assessment performed by the management of the Group was based on a scenario analysis described below.

The recoverable amounts of the prepayment as at 30 June 2024 and 31 December 2023 have been determined based on (i) the valuation on TJGCMT as at the end of the reporting period; and (ii) the market value of the personal assets of Mr. Wong as at the end of the reporting period.

For the period ended 30 June 2024, based on the impairment assessment, no further impairment loss or reversal of impairment loss is required (six months ended 30 June 2023: Nil).

12 CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash and bank balances	**194,058**	284,383

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

13 TRADE PAYABLES

The following is an ageing analysis of trade payables based on the invoice date:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**27,597**	–
61 to 90 days	**28**	–
Over 90 days	**499**	50
	28,124	50

The trade payables are non-interest-bearing and the Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

14 SHARE CAPITAL

	Number of ordinary shares	**Amount**
	'000	*HK$'000*
Authorised:		
At 1 January 2023, 31 December 2023 and 1 January 2024	6,000,000	600,000
Share Subdivision *(Note (a)(ii))*	54,000,000	–
At 30 June 2024 (unaudited)	60,000,000	600,000

	Number of ordinary shares	Amount
	'000	*RMB'000*
Issued and fully paid		
At 1 January 2023, 31 December 2023 and 1 January 2024 (HK$0.1 each)	2,701,123	230,159
Capital Reduction *(Note (a)(i))*	–	(207,143)
Issuance of shares on acquisition of subsidiaries *(Note (b))*	2,500,000	22,808
At 30 June 2024 (HK$0.01 each) (unaudited)	5,201,123	45,824

Notes:

(a) The Company completed a capital reorganisation by way of capital reduction and share subdivision (the "**Capital Reorganisation**") which became effective on 21 June 2024. The Capital Reorganisation involved the following:

(i) the reduction of issued share capital of the Company whereby the par value of each issued share of the Company ("**Share(s)**") reduced from HK$0.1 to HK$0.01 by cancelling HK$0.09 of the paid-up capital on each issued Share (the "**Capital Reduction**");

(ii) immediately following the Capital Reduction, the subdivision of each unissued Share of HK$0.1 in the authorised share capital of the Company into 10 Shares of HK$0.01 each (the "**Share Subdivision**") so that immediately following the Capital Reduction and the Share Subdivision, the authorised share capital of the Company became HK$600,000,000 divided into 60,000,000,000 Shares of HK$0.01 each; and

(iii) the reduction of the entire amount resulted to the credit of the contributed surplus account of the Company.

(b) Upon the completion of the Capital Reorganisation, the Company issued 2,500,000,000 at the closing price of HK$0.229 per Share at the completion date of the acquisition of subsidiaries (i.e. 21 June 2024) (note 17), totalling HK$572,500,000 or equivalent to RMB522,303,000. The issuance of the Shares resulted to the credit of the share capital account and share premium account of RMB22,808,000 and RMB499,495,000 respectively.

15 DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

16 CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2024 and 31 December 2023.

17 ACQUISITION OF BUSINESS

On 16 October 2023, the Company entered into a sale and purchase agreement with Mega Bright Capital Resources Limited ("**Mega Bright**"), which is wholly-owned by Mr. Wong, to acquire 100% equity interest in GOME FIIL at a consideration to be settled by issuing 2,185,286,341 new Shares to Mega Bright. GOME FIIL is an investment holding company and holds 51.15% equity interest in GOME FITL, and GOME FITL in turn holds 47.7% equity interest in CashBox.

On the same date, the Company entered into another sale and purchase agreement with Hong Kong Mingrun Business Co., Limited ("**Mingrun Business**") to acquire 3.3% equity interest in CashBox at a consideration to be settled by issuing 314,713,659 new Shares to Mingrung Business. CashBox is engaged in the provision of online advertising services and top-up services (together with the acquisition of equity interests in GOME FIIL disclosed above referred to as the "**Acquisition**").

Upon completion of the Acquisition on 21 June 2024 (the "**Completion Date**"), GOME FIIL, GOME FITL and CashBox became subsidiaries of the Company with effective shareholding of 100%, 51.15% and 27.70%, respectively (collectively referred to as "**CashBox Business**"). The Acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	RMB'000 (unaudited)
Equity instruments issued (note 14)	522,303

Assets and liabilities of CashBox Business recognised at the Completion Date

	RMB'000 (unaudited)
Intangible assets	224,032
Trade receivables	57,817
Prepayments and other receivables	12,032
Cash and cash equivalents	7,338
Trade payables	(34,634)
	266,585

Goodwill arising on the Acquisition of CashBox Business

	RMB'000 (unaudited)
Consideration transferred	522,303
Add: non-controlling interests	195,132
Less: recognised amounts of net identifiable assets	(266,585)
Goodwill arising on the Acquisition	450,850

18 EVENTS AFTER THE REPORTING PERIOD

On 28 August 2024, 賦勤(寧波)科技有限公司 (Fuqin (Ningbo) Technology Co., Ltd.*) (the "**WFOE**"), a non-wholly owned subsidiary of the Company, entered into certain agreements (the "**VIE Contracts**") with 北京立衡企業管理有限公司 (Beijing Liheng Enterprise Management Co., Ltd.*) (the "**Beijing OPCO**") and the Beijing OPCO's registered shareholders, namely Mr. Zhou Yafei and Mr. Song Chenxi, both being executive Directors. Pursuant to the VIE Contracts, the WFOE will have effective control over the finance and operation of the Beijing OPCO and will enjoy the entire economic interests and benefits generated by the Beijing OPCO. Upon entering into the VIE Contracts, the Company has in substance acquired 100% equity interests in the Beijing OPCO and the financial results of the Beijing OPCO and its subsidiaries will be consolidated into the results of the Group as if the Beijing OPCO is a subsidiary of the Company. The Company is still in the progress of preparing the initial accounting for the business combination up to the date of this announcement. Details of the above contractual arrangements are set out in the Company's announcement dated 28 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Gome Finance Technology Co., Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") are principally engaged in the provision of financial services, including the provision of commercial factoring and other financial services in the People's Republic of China (the "**PRC**" or "**China**").

The Group recorded a substantial increase in revenue and profit before tax for the six months ended 30 June 2024 (the "**Interim Period**") as compared to the six months ended 30 June 2023 (the "**Corresponding Period**"). The Group's revenue increased substantially by RMB21.2 million or 53.5% from RMB39.6 million for the Corresponding Period to RMB60.8 million for the Interim Period. The profit before tax of the Group increased substantially by RMB30.1 million or 860% from RMB3.5 million for the Corresponding Period to RMB33.6 million for the Interim Period. The reason for the substantial increase in revenue was mainly due to revenue from other financial services business increased significantly by RMB12.7 million or 423.3% from RMB3.0 million in the Corresponding Period to RMB15.7 million in the Interim Period. The increase in revenue derived from other financial services business was primarily due to the enhancement of the Group's business promotion efforts during the Interim Period.

In addition, the acquisition (the "**CashBox Acquisition**") of CashBox Group Technology (Hong Kong) Limited ("**CashBox**") which was completed on 21 June 2024 also contributed to a growth in revenue by RMB6.0 million. CashBox is principally engaged in game development and publishing businesses. As the Group obtained controlling interest in CashBox upon completion of the CashBox Acquisition, the financial results of CashBox have been consolidated in the financial statements of the Group upon completion during the Interim Period. For details of the CashBox Acquisition, please refer to the section headed "Material Acquisition and Disposals of Subsidiaries, Associates and Joint Venture" of this interim results announcement (the "**Results Announcement**").

Apart from the newly acquired business of CashBox, the Group's revenue derived from the commercial factoring business increased by RMB2.6 million or 7.1% from RMB36.6 million for the Corresponding Period to RMB39.2 million for the Interim Period. The increase was mainly due to the expansion of the scale of commercial factoring loans in the PRC.

The Group recorded a profit attributable to the owners of the Company of RMB25.3 million for the Interim Period, as compared to a loss attributable to the owners of the Company of RMB2.2 million for the Corresponding Period. The reasons for the increase in the profit attributable to the owners of the Company were mainly due to i) the substantial increase in revenue, ii) the substantial decrease in exchange loss and iii) the decrease in finance costs, which were partially offset by the increase in administrative and marketing expenses. For details, please refer to the section headed "Financial Review" of this Results Announcement. The Board did not recommend the payment of any interim dividend for the Interim Period.

Based on the existing business development, the Group remains committed to becoming a market-leading "Technology + Finance" integrated services group. Meanwhile, under the rapid development of the digital economy and Web3.0, the management has been exploring different new business opportunities to realize growth through the development of new businesses, and actively seeking new business breakthroughs in the Internet-related areas to facilitate the Group's diversified strategic transformation. The management believes that the Group's strategy of continuing to develop the "Technology + Finance" integrated services business while injecting new businesses to sustain growth will lead the Group to steady development.

INDUSTRY ENVIRONMENT

Financial Services Industry

In the first half of 2024, according to the National Economic Review published by the National Statistics Bureau of China, the national economic in the first half of the year was generally stable, with progress being made amidst stability. However, due to the complexity of the external environment, the worsening of the economic situation and other uncertainties, the emergence of impacts of domestic structural adjustment became apparent. In the first half of the year, China's GDP grew by 5.0% year-on-year, of which 4.7% was recorded in the second quarter, with the growth rate declining from that of the first quarter. On the global front, the 2024 World Economic and Financial Outlook Report pointed out that, against the backdrop of monetary tightening suppressing demand, increasing pressure on the financial system, credit slowdown, and geopolitical tensions constraining economic growth, the global economic growth rate will continue to decline in 2024, or be in a slow development cycle at a low level of around 2.9%. The trend of economic differentiation among countries is obvious, and economic growth is still facing multiple risks and challenges. On the policy front, as the financial environment tightens, countries tighten their monetary policies to cope with high inflation, and the strong regulation of the financial services industry releases signals, the market space of the industry may be further tightened, competition will gradually intensify, and the ability of business expansion and development may be limited.

In the face of the complex and severe domestic and global situation and numerous risk challenges, coupled with the tightening of the industry's policy environment, the financial services industry, while focusing on stable operation, strengthening internal risk control and risk management system construction, gradually broke the traditional mindset limitations, actively sought transformation and upgrading, utilized emerging cutting-edge technological means such as big data, blockchain, artificial intelligence to enhance its service capabilities. By leveraging on its own resources and resource strengths, the Company has actively strengthened its financial technology innovation capability to reduce business risks while exploring in-depth more diversified and digitized financial service solutions. Against the backdrop of a new round of technological and industrial changes, the financial services industry has actively responded to the strategic orientation of the national development of new-quality productivity, fully utilized its basic resource allocation capabilities, reformed its financial services model through the in-depth fusion of digital "Technology + Finance" and industry, constructed an open ecosystem, sought and shaped new dynamics of enterprise development, and strived to achieve benign cyclic development.

Internet Industry

According to the "14th Five-Year Plan for the Development of Digital Economy", by 2025, China's digital economy will be moving towards a period of full-scale expansion, and the added value of the core industries of digital economy will account for 10% of GDP. According to the "The 53rd Statistical Report on China's Internet Development" published by China Internet Network Information Center (CNNIC), as of December 2023, the number of online users in China reached 1.092 billion, marking an increase of 24.8 million new users from December 2022, and the Internet penetration rate reached 77.5%. The report pointed out that in 2023, China will continue to accelerate the popularization of information services and narrow the digital divide. At the same time, Internet applications will continue to develop, and the potential for new types of consumption will explode. In addition, with the gradual maturation of artificial intelligence, block chain and other emerging technologies in recent years, the development of the Internet industry has entered a new stage. Supported by new technologies, Web3.0 has become a new focus of industry attention. Web3.0 represents decentralization and openness, which is expected to reconfigure the traditional business model, stimulating a new point of growth of the digital economy.

In terms of Internet applications and services, China Internet Development Report (2024) shows that industrial Internet has entered a new stage of large-scale development, and the deep integration of digital and real services is serving the construction of new type of industrialization; e-commerce market is growing steadily, and the new impetus of digital consumption is becoming more and more powerful; the scale of digital entertainment users continues to increase, and the artificial intelligence generated content (AIGC) empowers the development of digital entertainment and the vertical large-model applications have landed in the market. According to McKinsey, 95% of executives expect that the Meta Universe will have a positive impact on their industries in 5 to 10 years, and that the potential value of the Meta Universe will reach US$5 trillion, equivalent to the size of Japan's economy. To summarize, in terms of industry development, technological innovation may empower the digital economy, and new industries based on Web3.0 may lead the industry to change and develop. Under the guidance of the policy and the new wave of the industry, the Internet industry under the environment of Web3.0 is exploring the integration of digital innovation and artificial intelligence, and laying out the Internet entertainment, social and other sub-divisions, giving rise to new industries and new forms of business, and empowering enterprises to lay out the emerging industries and realize diversified development.

BUSINESS REVIEW

Gome Xinda Commercial Factoring Limited ("**Xinda Factoring**"), a wholly-owned subsidiary of the Company, provided prompt and convenient supply chain services to high-quality customers. Since 2021, the Group started to grant longer loan period to certain high-quality customers in order to increase its profitability and at the same time to maintain credit risk at a low level. During the Interim Period, the Group continued to increase the amount of loans to high-quality customers, resulting in the increase in the amount of loans from RMB782 million in the Corresponding Period to RMB892 million in the Interim Period. The Group's average net loan balance increased by RMB112 million or 11.5% from RMB978 million in the Corresponding Period to RMB1.09 billion in the Interim Period, indicating that the operating scale of the commercial factoring business was expanded in the Interim Period. During the Interim Period, the interest rates charged to commercial factoring borrowers decreased slightly, ranging from 7.2% to 8.0% which was in-line with the prevailing market rates, the average net loan balance recorded an increase, and revenue from the commercial factoring business increased to RMB39.2 million in the Interim Period (the Corresponding Period: RMB36.6 million).

During the Interim Period, the Group focused on customers with good credit status. As a result, the number of customers in the Interim Period decreased as compared to the Corresponding Period but the amount of commercial factoring loans increased. The commercial factoring business continued to generate stable returns for the Group, recording a segment results of RMB34.2 million during the Interim Period (the Corresponding Period: RMB32.9 million). The Group will continue to explore opportunities in its commercial factoring business in the future as the Group has a established risk management system and has maintained steady growth in the business despite various negative factors in the external environment during the Interim Period.

Other than the commercial factoring business, the Group, through Gome Wangjin (Beijing) Technology Co., Ltd. ("**Gome Wangjin**"), a wholly-owned subsidiary of the Company, has continued to explore different opportunities in the provision of other financial services with its extensive technical experience in the relevant areas. Since 2020, Gome Wangjin principally provided operating services for a financial services application (the "**Application**") and provided customer referral services to financial institutions through operating the Application. During the Interim Period, the Group recorded an increase in revenue from the provision of other financial services of RMB15.7 million (the Corresponding Period: RMB3.0 million). The increase in revenue derived from other financial services business was primarily due to the enhancement of the Group's business promotion efforts during the Interim Period.

In addition to the traditional businesses of the Group as mentioned above, the Group has also started to engage in the game development and publishing businesses through the CashBox Acquisition in the Interim Period. CashBox provides advertising services primarily through display of impressions or clicks of the advertisement or embedded hyperlinks on particular areas of CashBox's mobile games. The service fee from customers is charged primarily on the basis of per number of click or per duration of display time. Besides, CashBox also engages in development and operation of mobile games. All mobile games of CashBox are free to play and it offers virtual items to players. Players can purchase online points and convert them into various in-game virtual items for better in-game experience. In-game virtual items represent consumable items that can be consumed by player actions or expire over a predetermined expiration time. The service fee is paid directly by end players mainly via online payment channels or distributions. Revenue derived from the provision of online advertising services and top-up services accounted for about 4.3% and 95.7%, respectively, of CashBox's total revenue in the Interim Period.

FINANCIAL REVIEW

Results highlights

Revenue

During the Interim Period, the Group's revenue increased substantially by RMB21.2 million or 53.5% to RMB60.8 million (the Corresponding Period: RMB39.6 million), which was mainly due to the expansion of commercial factoring and other financial services business and the CashBox Acquisition.

The Group recorded an increase in revenue from the provision of other financial services of RMB15.7 million (the Corresponding Period: RMB3.0 million) in the Interim Period. The increase in revenue derived from other financial services business was primarily due to the enhancement of the Group's business promotion efforts during the Interim Period.

The principal activities of CashBox are game development and publishing businesses. Revenue derived from CashBox's business was RMB6.0 million during the Interim Period. As the Group obtained controlling interest in CashBox upon the completion of the CashBox Acquisition, the financial results of CashBox have been consolidated in the financial statements of the Group upon the completion of the CashBox Acquisition in the Interim Period.

The Group recorded revenue of RMB39.2 million from the commercial factoring business in the Interim Period (the Corresponding Period: RMB36.6 million). The Group's average net loan balance increased from RMB978 million in the Corresponding Period to RMB1.09 billion in the Interim Period. The commercial factoring business continued to generate stable returns for the Group and the Group will continue to explore opportunities in its commercial factoring business in the future.

Other income and other losses

The Group's other income mainly consisted of bank interest income, which decreased from RMB5.2 million in the Corresponding Period to RMB3.3 million in the Interim Period. The decrease in bank interest income was primarily due to the declining bank deposit rates in the PRC and the expansion of factoring loan business which led to a decrease in the bank deposit amount.

The Group's other losses represented the exchange loss incurred in the Interim Period. The functional currency of the Company is Hong Kong dollars ("**HK$**"). During the Interim Period, the Group recorded exchange loss of RMB7.0 million (the Corresponding Period: exchange loss of RMB24.4 million) due to decrease in foreign exchange rate volatility.

Administrative expenses

The Group's administrative expenses mainly comprised legal and professional fees and staff cost. The administrative expenses increased by RMB5.9 million from RMB9.9 million in the Corresponding Period to RMB15.8 million in the Interim Period. The reasons for the increase were mainly due to (i) the increase in legal and professional fees for the CashBox Acquisition by RMB3.2 million and (ii) the increase in staff cost of the Group by RMB2.8 million due to business expansion.

Marketing expenses

The Group's marketing expenses amounted to RMB5.9 million for the Interim Period (the Corresponding Period: RMB nil). The marketing expenses mainly included advertising and promotion expenses and technical service fees which were all incurred by CashBox in the Interim Period.

Finance costs

The Group's finance costs decreased from RMB4.6 million in the Corresponding Period to RMB7,000 in the Interim Period. The decrease was primarily due to the Group not having any outstanding bank loans during the Interim Period, resulting in no interest expense on bank borrowings being incurred as compared with the bank interest expenses of RMB4.2 million incurred in the Corresponding Period.

Combining the effects mentioned above, during the Interim Period, the Group recorded an operating profit of RMB33.6 million (the Corresponding Period: RMB3.5 million) and a profit after tax of RMB25.4 million (the Corresponding Period: loss after tax of RMB2.2 million).

Commercial factoring business

The following table sets forth the operating results of the Group's commercial factoring business:

	For the six months ended 30 June 2024 *RMB'000* **(Unaudited)**	For the six months ended 30 June 2023 *RMB'000* (Unaudited)
Revenue	**39,172**	36,602
Net operating expenses	**(3,072)**	(1,342)
Operating gains	**36,100**	35,260
Provision for ECL on loan receivables	**(1,874)**	(2,384)
Segment results	**34,226**	32,876

As mentioned above, the demand for commercial factoring loans in the PRC remained stable during the Interim Period. The operation of commercial factoring business of the Group was also stable, with the revenue from commercial factoring business increased by 7.1% or RMB2.6 million for the Interim Period.

The provision for ECL on loan receivables for the Interim Period decreased by RMB0.5 million compared to the Corresponding Period. Additionally, for the Interim Period, the net operating expenses of the commercial factoring business increased by RMB1.8 million compared to the Corresponding Period due to an increase in headcount for the commercial factoring business in the second half of 2023, resulting in an increase in staff costs. Due to the aforementioned reasons, the segment profit increased to RMB34.2 million for the Interim Period from RMB32.9 million for the Corresponding Period.

The Group takes a consistent and objective approach in analysing loan qualities so as to assess whether there will be impairment losses on loan receivables, taking into account events such as subsequent settlement, default or delinquency in interest or principal payments, and the financial and credit analysis of each individual debtor or a group of debtors. After such analysis, the Group classifies the loans into five different categories as well as three stages based on ECL as required by the standard in relation to financial instrument, and applies a consistent policy to each loan category in providing for the impairment of loan receivables with reference to the balances of loan receivables of various categories of loans, net of any settlement amounts subsequent to the reporting period.

The following table sets forth the distribution of loan receivables of the Group's commercial factoring business by five categories of classification.

	As at 30 June 2024 (Unaudited)		As at 31 December 2023 (Audited)	
	Gross balance	**Provision for ECL**	Gross balance	Provision for ECL
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**1,172,394**	**13,347**	1,054,831	11,473
Special mention	**–**	**–**	–	–
Substandard	**–**	**–**	–	–
Doubtful	**–**	**–**	–	–
Loss	**–**	**–**	–	–
	1,172,394	**13,347**	1,054,831	11,473

Gross balance of normal loan as at 30 June 2024 increased to RMB1,172.4 million (31 December 2023: RMB1,054.8 million), which was because of the expansion of commercial factoring business during the Interim Period.

As at 30 June 2024, the provision for ECL increased to RMB13.3 million (31 December 2023: RMB11.5 million) which was due to the increase in the loan receivables of the Group.

Other financial services business

The following table sets forth the operating results of the Group's other financial services business:

	For the six months ended 30 June 2024 *RMB'000* **(Unaudited)**	For the six months ended 30 June 2023 *RMB'000* (Unaudited)
Revenue	**15,659**	2,955
Net operating expenses	**(2,249)**	(1,609)
Segment results	**13,410**	1,346

As mentioned above, the Group recorded revenue from other financial services business of RMB15.7 million in the Interim Period (the Corresponding Period: RMB3.0 million). The increase in revenue derived from other financial services business was primarily due to the enhancement of the Group's business promotion efforts during the Interim Period.

The net operating expenses of other financial services business increased by RMB0.6 million, which was mainly attributable to the increase in staff cost.

As a result of the above, the segment results increased substantially from RMB1.3 million for the Corresponding Period to RMB13.4 million for the Interim Period.

Game development and publishing business

The following table sets forth the operating results of the Group's game development and publishing business:

	For the six months ended 30 June 2024 *RMB'000* **(Unaudited)**
Revenue	
– Advertising revenue	**255**
– Top-up revenue	**5,718**
Net operating expenses	**(5,801)**
Segment results	**172**

During the Interim Period, the Group has also started to engage in the game development and publishing businesses through the CashBox Acquisition. Revenue of CashBox comprised of online advertising services and top-up services, representing 4.3% and 95.7%, respectively, of total revenue of CashBox. The net operating expense of CashBox during the Interim Period mainly represented advertising and promotion expenses and technical service fees.

Key operating data of the Group

	For the six months ended 30 June 2024 *RMB'000* **(Unaudited)**	For the six months ended 30 June 2023 *RMB'000* (Unaudited)
Total return on loans (revenue as% of average gross loan balance)	**7.16%**	7.42%
Allowance to loans ratio (impairment allowance as% of gross loan balance)	**1.14%**	1.00%
Non-performing loan ratio (gross non-performing loan balance as% of gross loan balance)	**0.00%**	0.00%
Allowance coverage ratio (impairment allowance as% of gross non-performing loan balance)	**N/A**	N/A

Annual interest rate of commercial factoring business was around 7.2% to 8.0% for the Interim Period, as compared with around 8% for the Corresponding Period. Total return on loans reduced because of the fact that the Peoples' Bank of China continued to lower the loan prime rate during the Interim Period and the Group also reduced the loan interest rate for its commercial factoring business which was in-line with the market condition.

As all new loans during the Interim Period were settled on time or remained under normal stage as at 30 June 2024, both allowance to loans ratio and non-performing loan ratio remained steady. In addition, the absence of substandard, doubtful and loss loans balance as at 30 June 2023 and 30 June 2024 resulted in 0% non-performing loan ratio and no allowance coverage ratio. The percentage of allowance coverage ratio maintained at over 100% (or not applicable), representing that the provisions made wholly covered the gross balances of all non-performing loans.

Taking into account the uncertainties of the economy, the management was cautious and considered that it would be appropriate to maintain the provision for ECL at a high level.

Provision for ECL

During the Interim Period, as mentioned above, a provision for ECL has been made for commercial factoring business of RMB1.9 million (the Corresponding Period: RMB2.4 million), and the ECL provision as at 30 June 2024 was entirely provided for loan receivables. The movements in provision for ECL on trade and loan receivables are as follows:

	For the six months ended 30 June 2024 *RMB'000* **(Unaudited)**	For the six months ended 30 June 2023 *RMB'000* (Unaudited)
At 1 January	**11,473**	8,068
Impairment allowances recognised	**7,710**	8,411
Impairment loss reversed	**(5,836)**	(6,027)
At 30 June	**13,347**	10,452

Valuation of the corresponding equity value of prepayment for acquisition

Beijing Bosheng Huifeng Business Consulting Co., Limited ("**OPCO**") agreed to acquire 100% equity interest in Tianjin Guanchuang Mei Tong Electronic Commerce Limited ("**TJGCMT**", together with its subsidiaries, the "**TJGCMT Group**") (the "**Acquisition**") from Tibet Yang Guan LLP and Mr. Mao Deyi (together the "**Sellers**") pursuant to an equity transfer agreement dated 25 July 2017 (the "**Transfer Agreement**"). The Acquisition has not yet been completed and RMB576 million had been paid according to the loan agreement entered into between Xinda Factoring and OPCO on 7 June 2017 (the "**Loan Agreement**") and was recorded as a prepayment by the Group (the "**Prepayment**") under non-current assets since 2019. Details of the Acquisition and the Loan Agreement are set out in the Company's circular dated 29 June 2017.

As at 30 June 2024 and up to the date of this Results Announcement, approval of the People's Bank of China (the "**PBOC**") for the Acquisition has not yet been obtained for the Acquisition. As of 30 June 2024 and 31 December 2023, the Group advanced RMB576 million to the OPCO as prepayments under non-current assets.

In the second half of 2022, TJGCMT entered the licence renewal period of its payment business licence (the "**Licence**") and the PBOC has suspended the approval process of the acquisition of TJGCMT, and the application materials were returned. In January 2023, the TJGCMT Group successfully obtained the renewal of the Licence, which is valid until January 2028. In April 2023, the Group submitted new approval materials to the PBOC related to the Acquisition, maintaining contact with the PBOC, and continued to revise the application materials in accordance with the requirements of the PBOC. On 9 December 2023, the Regulations on the Supervision and Administration of Non-bank Payment Institutions (非銀行支付機構監督管理條例), the State Council of the People's Republic of China Order No. 768, was officially announced. According to the notice of the PBOC, the new regulations would be officially implemented on 1 May 2024. Article 59 of the new regulations provides that "The transitional measures for non-bank payment institutions established in accordance with the relevant regulations before the implementation of the regulations shall be prescribed by the People's Bank of China." During the transitional period, the Group has suspended the application. The Group would conduct re-submission for the approval according to the more specific requirements of the PBOC upon the formal implementation of the new regulations.

In May 2024 and July 2024, the Group actively engaged with the PBOC on the progress with our application and the timing of the official release of the Regulation on the Supervision and Administration of Non-Banking Payment Institutions (the "**Implementation Rules**"). On 26 July 2024, the PBOC formally issued the Implementation Rules. The Group is currently in the process of organising the reporting materials in accordance with the new system and requirements in accordance with the issued Implementation Rules. Upon approval of the internal materials, the Group will communicate with the PBOC and submit updated reporting materials to the PBOC for review.

Since TJGCMT has completed the license renewal, the Group will resubmit the materials for approval after the new regulations are officially implemented. The promulgation of the Regulation on the Supervision and Administration of Non-Banking Payment Institutions (非銀行支付機構監督管理條例) is expected to give more certainty to the PBOC's approval timetable. In addition, the Group will have more business scenarios to provide more user base and economic value for TJGCMT and its third-party payment platforms in the future. At the same time, the Group will also effectively reduce costs and obtain more traffic resources through self-operated payment channels. The Board considers that TJGCMT can play a crucial role in the business development of the Group. It will continue to promote the completion of the Acquisition in 2024, which will bring more development opportunities and synergies to the Group and is in the interests of the Group and all shareholders of the Company.

According to the Transfer Agreement, if the transfer of the equity interest in TJGCMT is not completed eventually, the Group has the right to require the Sellers to return the paid equity transfer price in accordance with the provisions of the Transfer Agreement, subject to the rights and obligations of the parties under the Transfer Agreement and limitation of action. On 25 March 2024, a personal undertaking was made by Mr. Wong Kwong Yu ("**Mr. Wong**"), spouse of Ms. Du Juan ("**Ms. Du**"), the controlling shareholder of the Company (the "**Wong's Undertaking**"), to undertake the recoverability of the Prepayment. Pursuant to the equity transfer agreement, if the transaction of the equity (the "**Transaction**") cannot be completed, Mr. Wong undertook to request full refund either from the Sellers or through disposal of entire equity interest of TJGCMT pursuant to the Wong's Undertaking (the "**Disposal Action**"). If the Group cannot receive the proceeds from the Disposal Action on or before 31 December 2025, Mr. Wong will procure to make good any shortfall with his personal assets to the Group on or before 31 December 2026. The Wong's Undertaking became effective and replaced the original undertaking by Ms. Du which has been terminated. The Directors are of the view that the entering into of the Wong's Undertaking by Mr. Wong will bring greater confidence to the Company and push forward the Transaction to proceed.

At the Board meeting in August 2024, the Directors considered the status of the Transaction, in particular, whether the Company should continue to accept the uncertainty of further pending approval, instead of deciding to terminate the Transaction and requesting immediate return of the prepayment of RMB576,000,000. Apart from this, taking into account the management's latest view on the commercial rationale of the acquisition, the strategic value of the acquisition to the Group, and that the promulgation of new Implementation Rules will bring more certainty to the Acquisition, the Directors are of the view that the Company should continue to actively promote the approval procedure of the Acquisition, failing which a final review of the Board by 31 December 2025, at which time, if the Transaction cannot still be completed, the Company may cancel the Transaction and seek alternative opportunities.

Given the abovementioned facts and circumstances and with the current available information, management of the Company had performed an impairment assessment on the equity value corresponding to the prepayments made by the Group to OPCO as at 30 June 2024. Since the estimated recoverable amount of the prepayment was larger than its carrying amount, the Directors considered that no impairment of prepayment would be recognised for the Interim Period (the Corresponding Period: nil). For details, please refer to note 11 to the unaudited condensed consolidated financial statements in this Results Announcement.

PROSPECT

Despite the continuing uncertainty in the global economic and financial environment, the General Administration of Financial Supervision, the Ministry of Industry and Information Technology, and the National Development and Reform Commission in the PRC have put forward guidance and development requirements for supply chain finance in a variety of areas, including micro, small and medium-sized enterprises, Meta Universe industries, life services, agriculture, and the manufacturing industry since 2023. Meanwhile, as an important support and driving force of the digital economy, China's policies on the development of digital finance in recent years have mainly focused on five aspects: promoting financial technology innovation, accelerating the construction of digital financial infrastructure, upgrading the standard of financial technology supervision, promoting the digital upgrading of financial services, and creating a digital financial ecosystem.

With the support of national and local policies, the Group will continue to optimize its supply chain financial services operation in the face of the complicated domestic and global situation, safeguard its stable operation and risk awareness, and further explore new paths of "Technology + Finance" integration and development to empower the supply chain of various industries, promote the construction of a highly efficient supply chain, and practically reduce the cost and increase the efficiency of its clients, so as to bring the benefits of "Technology + Finance" to the general public.

In addition, under the rapid development of the digital economy and Web3.0, the management is actively seeking business diversification and new breakthroughs in Internet-related areas based on the existing business layout, hoping that the integration of emerging industries will empower the Group's diversified business transformation on the basis of the integrated financial services business, and provide more room for imagination for the Group's business development, while the overall development of the Group is steady and promising, and bring more stable and lucrative returns to our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position is sound with strong equity and working capital bases. As at 30 June 2024, the Group's total equity amounted to RMB2,435.2 million (31 December 2023: RMB1,684.2 million), and had no pledged bank deposit (31 December 2023: nil). As at 30 June 2024, the Group's cash and cash equivalents decreased to RMB194.1 million (31 December 2023: RMB284.4 million). In the opinion of the management, the decrease in cash balance was the result of optimisation of the use of funds, which can improve the profitability of the Group as a financial institution.

During the Interim Period, the Group recorded cash outflow from its operating activities of RMB89.1 million (the Corresponding Period: RMB122.1 million), which was mainly attributable to the increase in trade receivables and loan receivables of RMB116.8 million. The Group recorded a cash outflow from investing activities of RMB7.7 million (the Corresponding Period: cash inflow of RMB190.2 million), which was due to the decrease in the fair value of financial assets of RMB18.0 million. The Group recorded a cash outflow from financing activities of RMB0.7 million (the Corresponding Period: RMB177.4 million) as a result of the repayment of principal of lease payments of RMB0.7 million.

The Group's current ratio as at 30 June 2024 was 26.1 (31 December 2023: 73.9). The Group's gearing ratio, expressed as percentage of total liabilities less tax payable, divided by the Group's total equity was 1.78% (31 December 2023: 0.38%).

The Group had no particular seasonal pattern of borrowing. As at 30 June 2024, the Group did not have any bank borrowings (31 December 2023: nil).

Taking into account the above, together with the available bank balances and cash, the management is confident that the Group will have adequate resources to settle its debts when due and finance its daily operational and capital expenditures.

CAPITAL STRUCTURE

During the Interim Period, the Company implemented a capital reorganisation which involves the following:

(i) the capital reduction (the "**Capital Reduction**") whereby the par value of each of the issued existing shares was reduced by cancelling the paid-up share capital of the Company to the extent of HK$0.09 on each issued existing share such that the par value of each issued existing share was reduced from HK$0.10 to HK$0.01, and the credit arising from the Capital Reduction was transferred to the contributed surplus account and applied towards offsetting the accumulated losses of the Company; and

(ii) the share sub-division whereby, immediately following the Capital Reduction becoming effective, each authorised but unissued existing share was sub-divided into ten (10) unissued new shares with a par value of HK$0.01 each.

In addition, 2,500,000,000 new ordinary shares of the Company (the "**Consideration Shares**") with an aggregate nominal value of HK$250,000,000 were allotted and issued to the relevant vendors at the issue price of HK$0.08 per Consideration Share at completion of the CashBox Acquisition on 21 June 2024 in settlement of the consideration for the CashBox Acquisition. The Consideration Shares comprise (i) 2,185,286,341 Consideration Shares issued to Mega Bright Capital Resources Limited; and (ii) 314,713,659 Consideration Shares issued to Hongkong Mingrun Business Co., Limited (香港銘潤商貿有限公司).

After the capital reorganisation and issuance of new shares, the number of issued ordinary shares of the Company was 5,201,123,120 shares as at 30 June 2024 (31 December 2023: 2,701,123,120 shares).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

During the Interim Period, the Group completed the acquisition of 100% of the issued share of GOME Faith International Investment Limited (國美信國際投資有限公司) ("**GOME FIIL**"), which indirectly owns 47.7% equity interest in CashBox, as well as the acquisition of 3.3% of the issued shares of CashBox.

Immediately after completion, GOME FIIL has become a wholly-owned subsidiary of the Company and CashBox has become an indirect non-wholly owned subsidiary of the Company, and the financial results of the GOME FIIL and CashBox have been consolidated in the financial statements of the Group.

For further details, please refer to the Company's announcements dated 16 October 2023 and 24 January 2024, the Company's circular dated 8 May 2024, the poll results of special general meeting of the Company dated 28 May 2024 and the next day disclosure return of the Company dated 21 June 2024.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Interim Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments as at 30 June 2024 (31 December 2023: nil).

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

The Group did not have any pledged assets or material contingent liabilities as at 30 June 2024 (31 December 2023: nil).

TREASURY POLICIES AND FOREIGN EXCHANGE EXPOSURE

The Group has continued to adopt a conservative treasury policy, with all bank deposits held in HKD, RMB, and USD. The Board and the management have been closely monitoring the Group's liquidity position, performing ongoing credit evaluations and monitoring the financial conditions of its customers in order to ensure the Group's healthy cash position. The Group has been investing in certain principal guaranteed structured deposit products offered by a bank with the surplus cash arising in the ordinary and usual course of business of the Group from time to time. The principal amount invested by the Group in these products was determined by the Group having regard to the surplus cash position of the Group from time to time and after taking into account the highly liquid nature of such investments and nearly no financial risks involved. The Group has not adopted any hedging policy and the Group has not entered into any derivative products. However, the Board and the management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

STAFF AND REMUNERATION

The Group employed 35 employees in total as at 30 June 2024 (31 December 2023: 31). The Group pays for social insurance for its PRC employees in accordance with the applicable laws in the PRC. The Group also maintains insurance coverage and contributes to mandatory provident fund schemes for its employees in Hong Kong in accordance with the applicable laws in Hong Kong. During the Interim Period, the Group had no forfeited contribution available to reduce its contribution to the pension schemes. The overall aim of the Group's employee and remuneration policy is to retain and motivate staff members to contribute to the continuing success of the Group. For the Interim Period, the remuneration for the employees of the Group, but excluding the Directors' remunerations, were approximately RMB6.5 million (the Corresponding Period: approximately RMB4.3 million).

INTERIM DIVIDEND

The Directors did not recommend the payment of any interim dividend for the Interim Period (the Corresponding Period: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining a high standard of corporate governance practices. The primary corporate governance rules applicable to the Company is the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Throughout the Interim Period, the Company had complied with all code provisions set out in the CG Code, except for the deviations disclosed below.

Code provisions C.2.1 and C.2.7 of the CG Code

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. According to code provision C.2.7 of the CG Code, the chairman should at least annually hold meetings with the independent non-executive Directors without the other directors present.

Mr. Zhou Yafei, ("**Mr. Zhou**") who has been appointed as an executive Director with effect from 26 March 2021, had performed the duties of the chairman and the chief executive of the Company as an interim arrangement without formal appointment of a new chairman and CEO. The Board considered that while vesting the roles of the chairman and chief executive in the same person can facilitate the execution of the Company's business strategies and maximize effectiveness of its operation, the Board would nevertheless review the structure of the Board from time to time and would be considering suitable candidate to be appointed as the chairman and chief executive of the Company such that the Company can comply with code provision C.2.1 of the CG Code. As the Company did not have a chairman, it could not strictly comply with code provision C.2.7 of the CG Code during the Interim Period. However, the independent non-executive Directors had effective access to Mr. Zhou and other senior management of the Company at all material times to discuss any potential concerns or questions and follow-up meeting(s) could be arranged, if necessary. The Company considers that there were sufficient channels and communications for discussion of the Company's affairs between Mr. Zhou and other non– executive Directors during the Interim Period.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the Directors' securities transactions. Having made specific enquiry with all the Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Interim Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Interim Period was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or the chief executive of the Company or any of their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Interim Period. As of 30 June 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**") in accordance with Rule 3.21 of the Listing Rules with primary duties of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management. As at the date of this Results Announcement, the Audit Committee comprised three independent non-executive Directors, namely Mr. Mak Yau Kee Adrian (Chairman), Professor Japhet Sebastian Law, Professor Huang Song and one non-executive Director, namely Ms. Wei Ting.

The Audit Committee met with the management on 23 August 2024 to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting including the Group's unaudited interim results for the Interim Period, which have been reviewed by the Audit Committee, before proposing to the Board for approval.

PUBLICATION OF FINANCIAL INFORMATION

This Results Announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gomejr.com). The Company's interim report for the Interim Period containing all information required by the Listing Rules will be made available on the above websites in due course.

By Order of the Board
Gome Finance Technology Co., Ltd.
Zhou Yafei
Executive Director

30 August 2024

As at the date hereof, the executive Directors are Mr. Zhou Yafei and Mr. Song Chenxi; the non-executive Directors are Ms. Wei Ting and Ms. Wu Qian; and the independent non-executive Directors are Mr. Mak Yau Kee Adrian, Professor Japhet Sebastian Law and Professor Huang Song.