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**儒意控股**  
RUYI HOLDINGS

**China Ruyi Holdings Limited**

**中國儒意控股有限公司**

*(a company incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of China Ruyi Holdings Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries and controlled entities (the “**Group**”) for the six months ended 30 June 2024 together with comparative figures as follows:

	<b>Six months ended</b>	
	<b>30 June</b>	30 June
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Revenue	<b>1,839,559</b>	804,056
Net losses	<b>(122,658)</b>	(263,651)
Adjusted net profit/(loss) <sup>(Note)</sup>	<b>863,438</b>	(315,172)
Adjusted EBITDA	<b>1,378,874</b>	515,929
Adjusted EBITDA margin	<b>75.0%</b>	64.2%
Basic losses per share	<b>RMB(0.0098)</b>	RMB(0.0262)
Diluted losses per share	<b>RMB(0.0098)</b>	RMB(0.0262)

*Note:* We define adjusted net profit/(loss) as net losses net of (i) share-based compensation expenses; (ii) fair value change in contingent consideration payable; (iii) imputed interest expenses; and (iv) fair value change in financial assets at fair value through profit or loss (“FVPL”) (excluding film right investments).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Performance Summary

The Group recorded a loss attributable to equity holders of the Company of approximately RMB115 million for the six months ended 30 June 2024, which decreased by approximately RMB147 million as compared to a loss attributable to equity holders of the Company of approximately RMB262 million for the six months ended 30 June 2023. The basic and diluted losses per share were RMB0.98 cents and RMB0.98 cents for the six months ended 30 June 2024 respectively as compared to the basic and diluted losses per share of RMB2.62 cents and RMB2.62 cents respectively for the six months ended 30 June 2023.

The Group's turnover increased to approximately RMB1,840 million during the six months ended 30 June 2024, as compared to the turnover of approximately RMB804 million during the six months ended 30 June 2023. Its revenue from content production, online streaming and online gaming businesses, among others, was approximately RMB1,822 million for the six months ended 30 June 2024, and was approximately RMB18 million for other businesses.

For the six months ended 30 June 2024, the adjusted net profit of the Company was approximately RMB863 million, while the adjusted net loss for the six months ended 30 June 2023 was RMB315 million. For the six months ended 30 June 2024, our adjusted EBITDA and adjusted EBITDA margin were approximately RMB1,379 million and 75.0%, respectively, while the adjusted EBITDA and adjusted EBITDA margin for the six months ended 30 June 2023 were approximately RMB516 million and 64.2%, respectively.

### BUSINESS REVIEW AND OUTLOOK

In the first half of 2024, the Group achieved significant progresses in various business segments, and the Company delivered remarkable performance in terms of profit growth. For the six months ended 30 June 2024 (the “**Reporting Period**”), we recorded revenue of RMB1.84 billion, representing an increase of 129% as compared to the corresponding period last year, and adjusted profit of RMB0.86 billion, turning around from a loss to a profit with an increase of RMB1.18 billion as compared to the corresponding period last year.

## **Our film and television drama production business**

This year, the Group successfully produced “To the Wonder” (《我的阿勒泰》), the first Chinese language long form drama series selected as part of the Official Selection for Long Form Competition by CANNESERIES, “War of Faith” (《追風者》), a Republic of China era financial espionage drama directed by Yao Xiaofeng and starred by Wang Yibo, Li Qin and Wang Yang, “Judge Dee’s Mystery” (《大唐狄公案》), a detective suspense television drama in ancient Chinese costumes starred by Zhou Yiwei and Wang Likun. During the 2024 Spring Festival period, the four films in which the Group participated in production, namely “Article 20” (《第二十條》), “YOLO” (《熱辣滾燙》), “Pegasus 2” (《飛馳人生2》) and “Boonie Bears: Time Twist” (《熊出沒•逆轉時空》), remarkably occupied the top four in the box office ranking during the Spring Festival period.

Currently, both “White Snake: Floating Life” (《白蛇：浮生》), the third animated IP film in the “White Snake” (《白蛇》) series which was jointly produced by Light Chaser Animation and us, and “Upstream” (《逆行人生》), a reality film directed and starred by Xu Zheng and starred by Xin Zhilei have been released in this summer holiday. The hilarious comedy “Successor” (《抓娃娃》) starred by Shen Teng and Ma Li leads the summer holiday, winning both word-of-mouth and box office.

At the same time, there are more films to be screened and new films in the pipeline are also in production tightly. For example, both “Gift from a Cloud” (《有朵雲像你》), a fantasy romance movie starred by Qu Chuxiao and Wang Ziwen and directed by Yao Tingting, and “Honey Money Phony” (《騙騙喜歡你》), a romantic comedy produced by Da Peng and starred by Jin Chen and Sun Yang, have been successfully in the can and is now under the post-production stage, being ahead of schedule for release in the New Year. In addition, both “The Wild Tales” (《蠻荒行記》) featuring the related works directed by Cao Baoping, who is known as the best director of crime films in China, and a science fiction film under the same name of the novel “Echoes of Encounter” (《我們生活在南京》), a two-time winner of Chinese Science Fiction Galaxy Awards, which is confirmed to be directed by Lu Yang, are under active preparation for rolling. “Shadow Love” (《與晉長安》), a romantic martial arts costume drama adapted from an original novel starred by Song Yi and Cheng Lei, is currently in rolling. “Light to the night” (《黑夜告白》), a realistic criminal investigation and suspense drama directed by Wang Zhi, with Pan Yueming and Wang Hedi as double male leads, “Prosecutor and Boy” (《檢察官與少年》), a television drama featuring the work of prosecutors, directed by Teng Huatao and starred by Zhang Xiaofei, “Day and Night II” (《白夜破曉》) starred by Pan Yueming who returned with original main cast of “Day and Night” (《白夜追凶》), are successfully in the can and have entered into the post-production stage.

## **Online streaming long video platform — Pumpkin Films**

As an online streaming long video platform of the Group, Pumpkin Films strives to utilise precise algorithms empowered with technology to conduct digital analysis of subscriber behavior, understand the viewing style and preferences of subscribers, and intelligently recommend personalised contents to its viewers with a vision of “Pumpkin knows you better than yourself”. As one of the largest platforms acting as the agent and the distributor in China at the same time, Pumpkin Films generated considerable revenue and profit for the Company during the Reporting Period by introducing high-quality films and top-tier new dramas on an ongoing basis.

Meanwhile, the Group has noticed that the film and television industry integrates audio, video and text, which is an ideal scenario for the application of generative AI. Established in 2023, the AI Technology Laboratory of Pumpkin Films has made remarkable progress in the field of film and television technology research and development through its internal research and development efforts for nearly a year. The in-depth application of AI technology enables technological innovation in various aspects such as script creation, characterisation, scene design, special effects generation and music composition.

In terms of script creation and development, the laboratory of the Group has not only conducted in-depth text analysis of scripts through natural language processing technology, but also introduced a generative pre-training model to generate dialogues and lines that align with the style and theme of scripts, which greatly extends the room of creativity for script writing. Meanwhile, we further improved the quality and relevance of AI-generated content through the training conducted by a competent team of in-house scriptwriters.

In terms of characterisation and actor selection, the Group used computer vision and machine learning technology to realises a precise match between a character and an actor. Moreover, virtual people close to the actors’ body shape are created through 3D modeling. Together with the model driver, a certain range of virtual people interaction can be carried out, which has already achieved remarkable results in the practice of CHAINTECH.

In terms of music composition for our films and television dramas, although the AI music generation technology has encountered some setbacks, the Group will continue to invest in R&D to optimise the algorithm and break through the bottleneck. Our goal is that through the analysis and learning of extensive music data, the system can learn about the musical characteristics of different genres and emotions, and automatically generate background music and theme songs based on plot needs, thereby improving the efficiency of music composition, and adding unique artistic charm to our films and television dramas.

In terms of scene design and special effects generation, the Group uses technologies such as 3D modeling, rendering and physics engines to achieve realistic simulations of our films and television scenes. In addition, the use of computer graphics (CG) technology to perform high-precision synthesis and rendering of special effects, presents stunning visual effects to the audience. The achievements made in this area are the most important and valuable part of our AI laboratory. The Group plans to make this capability available directly to the domestic film and television industry in the foreseeable future, so as to further promote innovation and development in the industry.

The technological strength of the Group not only has depth in theory, but also shows great strength in practical application. With the continuous advancement of technology and the ever-changing market demands, the Group will continue to promote innovation and endeavor to providing even more excellent products and services to meet and exceed the expectations of our customers. We believe that through unremitting efforts and continuous innovation, the Group will make more brilliant achievements in its future development.

### **JINGXIU Gaming Business**

”JINGXIU” is a gaming business brand of the Group. During the Reporting Period, the gaming business of the Group performed strongly, and our revenue from online gaming services reached RMB0.87 billion.

According to the data published by the Game Industry Annual Conference in December 2023, the revenue of the gaming industry in 2023 exceeded RMB300 billion for the first time, and the number of users in the industry also reached a record high of 668 million. At the same time, the publication approvals for licensed distribution of games were also stable, and the overall industry demonstrated a recovery trend and steady growth.

During the Reporting Period, the Group established excellent product development and distribution teams, and also conducted in-depth analysis of the development of its launched games and future operations. Based on the future trend of the industry, the Group had determined its future development direction. The Group will continue to explore joint distribution and development of more top-notch IPs, and will develop game categories with huge potential, such as Simulation Game (SLG), Massively Multiplayer Online Role-playing Game (MMORPG), Card Game and other categories. Integrating with different themes including sports, ACGN and historical culture, the Group are keen on differentiated innovation, continuously invest resources and put efforts, and cultivate outstanding game development and distribution teams, striving to achieve sustainable high growth in revenue.

Currently, in addition to operating its two games “The War of Three Kingdoms” (《亂世逐鹿》) and “Chuanqi Tianxia” (《傳奇天下》) which were launched in 2022, the Group has launched “Ragnarok ORIGIN” (《仙境傳說：愛如初見》) on 26 March 2024, which is also popular among players. The game topped the free list on the first day of its launch and reached as high as 11th place on the best-seller list, with its first-month cash flow exceeding RMB100 million. As of the first half of 2024, the total registered users of the game had reached 1.55 million. As the Group adheres to a long-term operation and user-oriented distribution strategy, the annual turnover for this year is expected to be very substantial. With the dual assistance of game content and competitive tournaments, the product will continue to provide the Company with considerable revenue and profit.

In addition, licensed by the IP “Civilization” (《文明》) from the world-renowned game company 2K Games, “Civilization Mobile” (《世界啟元》) distributed by the Group and developed by Tencent Aurora Studios was launched on 16 July 2024. This game has greatly expanded the boundaries of innovation in strategy war games and redefined the market’s perception of such games. The product performed steadily after its launch in Mainland China, and is expected to generate revenue and profit of a certain scale for the Group in the future.

In May 2024, the Group entered into an equity transfer agreement with the relevant vendors in relation to the acquisition of Beijing C4-Games Technology Co., Ltd., the project team of “Red Alert Online”, which has rich experience in SLG, and entered into further cooperation with EA, an internationally renowned game manufacturer, on the IP of “Red Alert Online”. The acquisition was completed in July 2024. This acquisition marked the formal entry of Ruyi Jingxiu into the cycle of self-research and self-development of games, enabling the Company to continue to innovate products and content on the “Red Alert Online”.

The Group will continue to strengthen its pipeline of SLG products, riding on the stable operation of Red Alert Online (《紅色警戒 OL》) and Civilization Mobile (《世界啟元》), two strategy mobile games, namely “Warpath” (《戰道》) and “Legends of the Wild” (《荒野國度》) have been included, both of which have obtained publication approvals for licensed distribution and are expected to be launched during the year. In addition, the Group is negotiating cooperation with a number of top-notch developers of SLG games.



In terms of game IP reserves, the Group has reached an agreement with ChineseAll, a leading domestic digital publishing company, to obtain the game adaptation rights for its well-known IP “Beastmaster of the Ages” (《萬古第一神》), and is considering launching the game to tie in with the broadcasting time of the animation adapted with such IP. At the same time, the Group has also successfully entered into an agency agreement to distribute a game adapted from the famous Japanese animation IP “To the Top”(《排球少年》) in China. The Group is also negotiating with several world-renowned sports brand group for the adaptation rights for various basketball and football games.

Moreover, the Group plans to launch various narrative interactive video games integrating live-action visuals in 2024. Some of the contents will be created using AI technology, under which collaborative creation will be achieved by integrating gaming, film production and artificial intelligence on interactive video game products. With the support of first-rate directors, scriptwriters and production teams in the industry, the Company will fully leverage its film and television production capabilities in game products including “Daybreak” (《晨昏綫》) and “Don’t Open the Doors!” (《別推開那扇門》) in tandem with cinema chains under Wanda Film to facilitate the full release of products.

#### **ADJUSTED NET PROFIT/(LOSS) AND ADJUSTED EBITDA**

To supplement our consolidated financial statements which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), we also use adjusted net profit/(loss) and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe that these non-HKFRS measures, which have excluded certain items, facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, our presentation of the adjusted net profit/(loss) and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation

from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRS. The following tables reconcile our adjusted net profit/(loss) and adjusted EBITDA for the periods presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS:

	<b>Six months ended</b>	
	<b>30 June 2024</b>	30 June 2023
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Reconciliation of net losses to adjusted net profit/</b>		
<b>(loss) and adjusted EBITDA</b>		
Net losses for the period	<b>(122,658)</b>	(263,651)
<b>Add:</b>		
Share-based compensation expenses	<b>34,463</b>	39,330
Imputed interest expenses	<b>41,377</b>	38,323
Fair value change in contingent consideration payable	<b>590,439</b>	(187,217)
Fair value change in financial assets at FVPL (excluding film right investments)	<b>319,817</b>	58,043
<b>Adjusted net profit/(loss)</b>	<b>863,438</b>	(315,172)
<b>Add:</b>		
Income tax expenses/(credit)	<b>182,692</b>	(82,445)
Depreciation of property, plant and equipment	<b>4,391</b>	1,529
Depreciation of right-of-use assets	<b>17,832</b>	8,852
Amortisation of film and television programme rights	<b>296,403</b>	892,742
Amortisation of other intangible assets	<b>3,545</b>	1,252
Finance costs (excluding imputed interest expenses)	<b>10,573</b>	9,171
<b>Adjusted EBITDA</b>	<b>1,378,874</b>	515,929



## **LIQUIDITY, CAPITAL RESOURCES, BORROWINGS AND GEARING RATIO**

The Group maintains a prudent treasury policy. The Group primarily financed its operations through shareholder's equity, borrowings and cash generated from operations. During the six months ended 30 June 2024, the liquidity of the Group was closely monitored by the Board and the Group reviews its working capital and finance requirements on a regular basis.

### **Liquidity**

As at 30 June 2024, the Group maintained cash and bank balance of approximately RMB2,764.9 million (as at 31 December 2023: approximately RMB569.9 million). The increase in cash and bank balance was mainly due to the receipt of proceeds from equity financing upon completion of the Share Subscriptions (as defined below) and the increase in operating results.

### **Borrowings and Gearing Ratio**

The Group maintained a sound financial position, and its borrowing demand was not seasonal. As at 30 June 2024, the Group had borrowings of RMB1,876.1 million (as at 31 December 2023: approximately RMB1,755.4 million), with borrowings at fixed interest rates accounting for 9.4%. Such bank borrowings will be due within 9 months.

As at 30 June 2024, the Group's net equity amounted to approximately RMB12,283.9 million (as at 31 December 2023: approximately RMB11,037.5 million) with total assets amounting to approximately RMB18,999.3 million (as at 31 December 2023: approximately RMB16,681.2 million). Net current assets were approximately RMB4,561.5 million (as at 31 December 2023: approximately RMB3,272.9 million) and the current ratio was 2.0 times (as at 31 December 2023: 2.0 times). Gearing ratio calculated on the basis of the Group's total debts (interest-bearing borrowings and lease liabilities) over shareholders' funds was 2.1% (as at 31 December 2023: 1.5%).

### **Charge of Assets**

As at 30 June 2024, the Group did not have any charges on assets (as at 31 December 2023: nil).

### **Commitment**

As at 30 June 2024, the Group had the capital commitments not provided for investment in an unlisted entity of approximately RMB207.2 million (as at 31 December 2023: nil).

## **Contingent Liabilities**

The Company and the Group did not provide corporate guarantee to its subsidiaries or other parties and did not have other significant contingent liabilities as at 30 June 2024 (as at 31 December 2023: nil).

## **CURRENCY RISK MANAGEMENT**

The Group had significant amount of assets and liabilities denominated in Renminbi (RMB) as at 30 June 2024. The content production, online streaming and gaming businesses are mainly carried out in RMB in Mainland China. Therefore, the Group is exposed to the risk of significant fluctuation in RMB exchange rates. During the six months ended 30 June 2024, the Group closely monitored the fluctuation and does not expect any material fluctuation of exchange rates in the near future, but will continue to monitor it.

## **INTERIM DIVIDEND**

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

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

### **Issue of Shares under General Mandate and Specific Mandate (“Share Subscriptions”)**

On 4 July 2023, the Company entered into a share subscription agreement separately with each of Century Spirit Investments Limited (“**Century Spirit**”), Cubract Ventures Limited (“**Cubract Ventures**”), Fame Mountain Limited (“**Fame Mountain**”) and Million Succeed Development Limited (“**Million Succeed**”) (collectively, the “**Independent Subscriber Share Subscription Agreements**”), pursuant to which the Company agreed to allot and issue, and each of Century Spirit, Cubract Ventures, Fame Mountain and Million Succeed agreed to subscribe 500,000,000 subscription shares (in aggregate 2,000,000,000 subscription shares) at HK\$1.60 per subscription share, on the respective terms thereunder.

On 4 July 2023, the Company entered into a share subscription agreement (the “**Water Lily Share Subscription Agreement**”) with Water Lily Investment Limited (“**Water Lily**”), pursuant to which the Company agreed to allot and issue, and Water Lily agreed to subscribe 500,000,000 subscription shares at HK\$1.60 per subscription share, on the terms of Water Lily Share Subscription Agreement thereunder.

In respect of the Share Subscription by Water Lily, the relevant subscription shares were allotted and issued on 10 October 2023 under the specific mandate sought from the independent shareholders at the special general meeting of the Company convened on 15 September 2023.

In respect of the Share Subscriptions by Century Spirit, Cubract Ventures, Fame Mountain and Million Succeed (collectively, the “**Independent Subscribers**”), the subscription shares shall be issued under the general mandate.

On 5 September 2023, 29 November 2023, 20 December 2023, 28 January 2024 and 3 April 2024, the Company entered into supplemental agreements separately with each of the Independent Subscribers pursuant to which the Company and each of the Independent Subscribers agreed to extend the longstop date and last issue date, being the date when each of the Independent Subscribers shall complete the subscription of all the relevant Subscription Shares in one or multiple tranches to 31 May 2024 (or such later date as the Company and the relevant Independent Subscribers may agree). The aforesaid extensions were due to additional time required by the Independent Subscribers to arrange the remittance of funds to Hong Kong.

On 5 June 2024, the closing of the Independent Subscriber Share Subscription Agreements completed, pursuant to which an aggregate of 2,000,000,000 subscription shares were issued under the general mandate at the subscription price of HK\$1.60 each, raising an aggregate gross proceeds of HK\$3,200 million. The aggregate gross proceeds raised will be applied in manner as disclosed in the circular of the Company dated 30 August 2023.

For further details of the Share Subscriptions, please refer to the announcements of the Company dated 4 July 2023, 7 September 2023, 29 November 2023, 28 January 2024, 31 January 2024, 3 April 2024 and 5 June 2024 and the circular of the Company dated 30 August 2023.

Save as disclosed above, during the six months ended 30 June 2024, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **SHARE-BASED PAYMENTS**

### **2013 Share Option Scheme**

The Company's former share option scheme (the “**2013 Share Option Scheme**”) adopted pursuant to a resolution passed by the shareholders on 31 October 2013 was terminated by a resolution passed in the annual general meeting of the Company held on 28 June 2023 (the “**2023 AGM**”). The purpose of the 2013 Share Option Scheme was to provide incentives to eligible participants.

No further options shall be granted under the 2013 Share Option Scheme upon termination but in all other respects, the provision of the 2013 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2013 Share Option Scheme and the options granted prior to the termination shall continue to be valid and exercisable in accordance with 2013 Share Option Scheme.

On 26 November 2021, the Company granted 181,917,000 share options pursuant to the 2013 Share Option Scheme and no further share options were granted pursuant to the 2013 Share Option Scheme up to the termination of the 2013 Share Option Scheme. For the six months ended 30 June 2024, (1) 181,917,000 share options granted under the 2013 Share Option Scheme had not been exercised; and (2) no share option granted under the 2013 Share Option Scheme had been lapsed or cancelled (as at 31 December 2023: nil).

### **2023 Share Option Scheme**

The Company adopted the current share option scheme (the “**2023 Share Option Scheme**”) pursuant to a resolution passed by the shareholders in the 2023 AGM. The purpose of the 2023 Share Option Scheme is to provide incentives to eligible participants. As at the date of this announcement, no options have been granted under the 2023 Share Option Scheme and no other share scheme has been adopted by the Company.

## **NUMBER OF EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2024, the Group employed 451 employees. The remuneration policy of the Group is to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. Employee benefits include medical insurance coverage, mandatory provident fund and others. Total staff costs for the six months ended 30 June 2024, including directors' emoluments, amounted to approximately RMB133.2 million (for the six months ended 30 June 2023: approximately RMB103.9 million).

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In May 2024, the Group entered into an equity transfer agreement and conditionally agreed to acquire 100% equity of Beijing C4-Games Technology Co., Ltd. (the “**Acquisition**”). As at 30 June 2024, the Group had paid approximately RMB51,800,000 as prepayments for this acquisition, which was subsequently completed in July 2024. For further details of the Acquisition, please refer to the section headed “Material Acquisition and Disposal”.

Save as disclosed above, the Group has no event after the end of the Reporting Period that needs to be brought to the attention of the shareholders of the Company.

## REVIEW OF INTERIM RESULTS

The interim financial information of the Company for the six months ended 30 June 2024 has been reviewed by the audit committee of the Company (the “**Audit Committee**”), which comprises the three independent non-executive Directors of the Company.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2024 has been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## MATERIAL ACQUISITION AND DISPOSAL

On 7 May 2024, Beijing Nuverse Information Technology Co., Ltd.\* (北京朝夕光年信息技術有限公司) and Beijing Youyi Technology Co., Ltd.\* (北京游逸科技有限公司) (collectively, the “**Vendors**”) as the vendors and Beijing Ruyi Jingxiu Network Technology Co., Ltd.\* (北京儒意景秀網絡科技有限公司) (the “**Beijing Ruyi**”), a controlled structured entity of the Company, as the purchaser entered into the equity transfer agreement (the “**Equity Transfer Agreement**”), pursuant to which the Vendors conditionally agreed to sell, and Beijing Ruyi conditionally agreed to acquire, 100% equity of Beijing C4-Games Technology Co., Ltd. (北京有愛互娛科技有限公司) (the “**Target Company**”) at a consideration of RMB259 million (subject to adjustments) (the “**Equity Transfer**”).

\* For identification purposes only

Prior to the completion of the Equity Transfer, the Target Company entered into an agreement (the “**Existing Transactions Agreement**”) with Shenzhen Tencent Computer Systems Company Limited and Shenzhen Tencent Tianyou Technology Company Limited (collectively, the “**Tencent Subsidiaries**”), which are the subsidiaries of Tencent Holdings Limited, a shareholder indirectly holding more than 10% of the shares of the Company. The Target Company had been carrying out continuing transactions pursuant to the Existing Transactions Agreement, in relation to the transactions not yet completed as of the date of the Equity Transfer Agreement between the Target Company and Tencent Subsidiaries for the exclusive distribution, operation and promotion services of the game “Red Alert Online” (《紅警OL》). Such transactions shall constitute continuing connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) upon completion of the Equity Transfer. Details are set out in the announcements of the Company dated 7 May 2024 and 9 July 2024.

Save as disclosed above, during the six months ended 30 June 2024, there was no other material acquisition or disposal by the Company or any of its subsidiaries.

## **CORPORATE GOVERNANCE**

The Board considers that good corporate governance practices are crucial to the smooth and effective operation of the Group and the safeguarding of the interests of the shareholders and other stakeholders of the Company. The Company has put in place internal policies to ensure the compliance and has adopted and complied with the code provisions set out in the Corporate Governance Code (the “**Code**”) contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2024 except for the following deviation from the Code provision:

- Code provision C.2.1 stipulated that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 June 2024, the Company has no such title as chief executive officer. The overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operation and execution is vested in the Board itself. The Board believes that the current structure is conducive to strong and consistent leadership and oversight enabling the Group to operate efficiently.

## **COMPLIANCE WITH THE MODEL CODE**

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company, having made specific and cautious enquiries, confirmed that all Directors had complied with the Model Code for the six months ended 30 June 2024.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE STOCK EXCHANGE WEBSITE**

This interim results announcement for the six months ended 30 June 2024 is also published on the Stock Exchange’s website (<https://www.hkexnews.hk>) and the Company’s website (<https://www.ryholdings.com>). The interim report of the Company for the six months ended 30 June 2024 containing all information required by the Listing Rules will be published on websites of the Stock Exchange and the Company on or before 30 September 2024.

## **FORWARD LOOKING STATEMENTS**

**There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this Management Discussion and Analysis or any of the matters set out therein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place undue reliance on the information disclosed herein. Any holder of securities or potential investor of the Company who is in doubt is advised to seek advice from professional advisors.**

## **APPRECIATION**

The Board would like to express its sincere gratitude to our shareholders, investors, employees and business partners for their continuous support.



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

		<b>Six months ended</b>	
		<b>30 June</b>	30 June
		<b>2024</b>	2023
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	3	<b>1,839,559</b>	804,056
Cost of revenue	4	<u><b>(575,467)</b></u>	<u>(1,149,358)</u>
<b>Gross profit/(loss)</b>		<b>1,264,092</b>	(345,302)
Selling and marketing costs	4	<b>(98,345)</b>	(6,557)
Administrative expenses	4	<b>(142,082)</b>	(117,224)
Net impairment losses on financial assets		<b>(58,137)</b>	(29,270)
Other income		<b>254</b>	2,352
Other (loss)/gain — net	7	<u><b>(903,214)</b></u>	<u>160,118</u>
<b>Operating profit/(loss)</b>		<b>62,568</b>	(335,883)
Finance costs	5	<b>(51,950)</b>	(47,494)
Finance income	5	<u><b>48,526</b></u>	<u>37,965</u>
Finance costs — net	5	<u><b>(3,424)</b></u>	<u>(9,529)</u>
Share of net profit/(loss) of associates accounted for using the equity method		<u><b>890</b></u>	<u>(684)</u>
<b>Profit/(loss) before income tax</b>		<b>60,034</b>	(346,096)
Income tax (expense)/credit	6	<u><b>(182,692)</b></u>	<u>82,445</u>
<b>Losses for the period, net of tax</b>		<u><b>(122,658)</b></u>	<u>(263,651)</u>

		<b>Six months ended</b>	
		<b>30 June</b>	30 June
		<b>2024</b>	2023
		<b>(Unaudited)</b>	(Unaudited)
<i>Notes</i>		<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive losses</b>			
<i>Items that may be reclassified to profit or loss:</i>			
	Changes at fair value through other comprehensive (loss)/income	(9)	27
	Currency translation differences	(7,151)	(33,713)
<i>Items that may not be reclassified to profit or loss:</i>			
	Currency translation differences	<u>(2,501)</u>	<u>(1,348)</u>
	<b>Other comprehensive losses for the period, net of tax</b>	<u>(9,661)</u>	<u>(35,034)</u>
	<b>Total comprehensive losses for the period</b>	<u><u>(132,319)</u></u>	<u><u>(298,685)</u></u>
<b>Losses for the period attributable to:</b>			
	— Equity holders of the Company	(114,653)	(262,250)
	— Non-controlling interests	<u>(8,005)</u>	<u>(1,401)</u>
		<u><u>(122,658)</u></u>	<u><u>(263,651)</u></u>
<b>Total comprehensive losses for the period attributable to:</b>			
	— Equity holders of the Company	(124,314)	(297,284)
	— Non-controlling interests	<u>(8,005)</u>	<u>(1,401)</u>
		<u><u>(132,319)</u></u>	<u><u>(298,685)</u></u>
<b>Losses per share for losses attributable to the equity holders of the Company for the period (expressed in RMB cents per share)</b>			
	— Basic losses per share	8 <u>(0.98)</u>	8 <u>(2.62)</u>
	— Diluted losses per share	8 <u>(0.98)</u>	8 <u>(2.62)</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>30 June 2024</b>	31 December 2023
	(Unaudited)	(Audited)
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,192	44,145
Right-of-use assets	102,453	89,394
Goodwill	4,214,619	4,214,619
Film and television programmes rights	1,652,460	1,470,456
Other intangible assets	697,956	679,849
Deferred tax assets	19,154	10,106
Prepayments and other non-financial assets	86,649	35,124
Deposits	6,457	5,533
Investments accounted for using the equity method	34,904	34,014
Financial assets at fair value through other comprehensive income	507	512
Financial assets at fair value through profit or loss	<u>3,091,866</u>	<u>3,403,547</u>
	<u>9,959,217</u>	<u>9,987,299</u>
<b>Current assets</b>		
Film and television programmes rights	1,512,376	1,259,849
Inventories	2,747	2,900
Prepayments and other non-financial assets	474,599	278,116
Trade and bills receivables	9 2,777,271	2,417,087
Other receivables and deposits	1,325,970	2,055,172
Financial assets at fair value through profit or loss	182,160	110,833
Cash and cash equivalents	<u>2,764,926</u>	<u>569,902</u>
	<u>9,040,049</u>	<u>6,693,859</u>
<b>Total assets</b>	<u><u>18,999,266</u></u>	<u><u>16,681,158</u></u>

		<b>30 June 2024</b>	31 December 2023
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	<i>11</i>	<b>239,481</b>	222,761
Share premium	<i>11</i>	<b>12,983,735</b>	11,664,209
Other reserves		<b>32,464</b>	7,662
Accumulated losses		<b>(971,745)</b>	(857,092)
		<b>12,283,935</b>	11,037,540
Non-controlling interests		<b>(4,569)</b>	(1,556)
<b>Total equity</b>		<b><u>12,279,366</u></b>	<b><u>11,035,984</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>1,699,762</b>	1,646,490
Lease liabilities		<b>51,359</b>	36,188
Deferred tax liabilities		<b>449,551</b>	510,886
Film and television programmes investment funds from investors		<b>40,640</b>	30,640
		<b><u>2,241,312</u></b>	<b><u>2,224,204</u></b>
<b>Current liabilities</b>			
Trade payables	<i>10</i>	<b>484,109</b>	357,418
Other payables and accruals		<b>660,832</b>	479,475
Contract liabilities		<b>17,116</b>	8,820
Current income tax liabilities		<b>578,752</b>	412,616
Borrowings		<b>176,387</b>	108,908
Lease liabilities		<b>24,927</b>	22,448
Contingent consideration payable		<b>1,925,167</b>	1,322,833
Film and television programmes investment funds from investors		<b>611,298</b>	708,452
		<b><u>4,478,588</u></b>	<b><u>3,420,970</u></b>
<b>Total liabilities</b>		<b><u>6,719,900</u></b>	<b><u>5,645,174</u></b>
<b>Total equity and liabilities</b>		<b><u>18,999,266</u></b>	<b><u>16,681,158</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 BASIS OF PREPARATION

This interim financial information for the six months ended 30 June 2024 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

## 2 ACCOUNTING POLICIES

The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), and any public announcements made by the Group during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of amended standards and the accounting policies of online gaming services as set out below.

### (a) Amendments and interpretations adopted by the Group

The following amendments and interpretations to standards are mandatory for the Group’s financial year beginning on 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (amendments)
Amendments to HKAS 1	Non-current Liabilities with Covenants (amendments)
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback (amendments)
HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (Revised))
HKAS 7 and HKFRS 7	Supplier Finance Arrangements (amendments)

The adoption of the above amendments and interpretations did not have any significant impact on the Group’s accounting policies and did not require retrospective adjustments.

**(b) Amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted by the Group**

		<b>Effective for annual periods beginning on or after</b>
HKAS 21	Lack of Exchangeability (amendments)	1 January 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

The Group has already commenced an assessment of the impact of these amendments to existing standards and interpretation. According to the preliminary assessment made by the directors, no significant impact on the financial performance and position of the Group is expected when they become effective.

**(c) New accounting policies adopted by the Group's online gaming services**

***Gaming services as a publisher***

During the six months ended 30 June 2024, the Group acted as a publisher of a number of mobile games developed by third party game developers. The Group licenses these mobile games from game developers and earns service revenue by making a localized version of the licensed games and publishing them to the game players through distribution channels, including various mobile application stores and software websites, as well as other game publishers with cooperation relationship with the Group (collectively referred to as "Distribution Channels"). The mobile games published by the Group are operated under a free-to-play model whereby game players can download the games free of charge and are charged for the purchase of in-game virtual items via payment channels, such as various mobile carriers and third-party internet payment systems (collectively referred to as "Payment Channels", Distribution Channels and Payment Channels collectively referred to as "Platforms"). The Group recognises the related revenue on a gross or net basis depending on whether the Group is acting as a principal or an agent in these arrangements as stated below.

**a) *Game license arrangements where the Group acts as agent***

With respect to certain of the aforementioned Group's game license arrangements, the Group's primary responsibilities are the provision of market promotion and customer support services and considered itself as the agent of the game developers (i.e. the Group's customers) given that the (i) game developers are responsible for providing the game products desired by the game players; (ii) the costs incurred by the developers to develop the games are more than the licensing costs and game localizations costs incurred by the Group; (iii) the hosting and maintenance of game servers for running the online mobile games is the responsibility of the developers; (iv) the developers have the right to review and approve the pricing of in-game virtual items and the specification, modification or update of the game made by the Group. Accordingly, the

Group recognises its game publishing service revenue from these licensed games on a net basis, net of the amounts paid to the game developers and commission fees paid to the Distribution Channels and Payment Channels.

The Group considers it provides a series of distinct services that are substantially the same and have the same pattern of transfer to the game developers who simultaneously receive and consume the benefits provided by the Group's services. As such, revenue is recognised in the month when related sales of in-game virtual items occur.

b) *Game license arrangements where the Group acts as principal*

With respect to certain of the aforementioned Group's game license arrangements, the Group takes primary responsibilities of the game's operation, including but not limited to determining distribution and payment channels, providing customer services, and controlling services specifications and pricing of in-game virtual items. Under this type of game license arrangement, the Group considered itself as a principal and is obligated to provide on-going services to the game players who purchased in-game virtual items to gain enhanced game-playing experiences over the average expected playing period of players ("Player Relationship Period").

Accordingly, the Group recognises the revenues from the third-party licensed game on a gross basis ratably over the Player Relationship Period. Contract fulfilment costs, including but not limited to commission fees paid to Distribution Channels and Payment Channels, are recognised as cost of revenues through amortisation over the Player Relationship Period, which is consistent with the pattern of recognition of the associated revenues.

### **3 SEGMENT INFORMATION**

**(a) Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (the "CODM"). The CODM of the Group has been identified as the executive directors of the Company who is responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The directors of the Company assess the performance of the operating segments based on a measure of segment results. Certain corporate expenses, other (losses)/gains-net and finance costs-net are not included in the results for each operating segment.

The Group's three reportable segments now comprised (1) Content production business; (2) Online streaming and online gaming businesses; and (3) Other businesses.



**(b) Segment profit/(loss)**

The segment results and other segment items included in the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2024 are as follows:

	Content production business RMB'000 (Unaudited)	Online streaming and online gaming businesses RMB'000 (Unaudited)	Other businesses RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Revenue				
Timing of revenue recognition				
— At a point	48,081	849,895	18,379	916,355
— Over time	—	923,204	—	923,204
	<u>48,081</u>	<u>1,773,099</u>	<u>18,379</u>	<u>1,839,559</u>
Segment profit/(loss)	<u>(309,766)</u>	<u>1,127,265</u>	<u>(1,032)</u>	<u>816,467</u>
Unallocated corporate expenses				(49,294)
Unallocated other losses-net				(685,679)
Unallocated finance cost-net				<u>(21,460)</u>
Profit before income tax				<u>60,034</u>
Depreciation of property, plant and equipment	3,352	918	121	4,391
Depreciation of right-of-use assets	13,512	3,230	1,090	17,832
Amortisation of other intangible assets	3	3,542	—	3,545
Amortisation of film and television programmes rights	57,548	238,855	—	296,403
Share of net profit of associates accounted for using the equity method	<u>(890)</u>	<u>—</u>	<u>—</u>	<u>(890)</u>

The segment results and other segment items included in the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2023 are as follows:

	Content production business <i>RMB'000</i> (Unaudited)	Online streaming and online gaming businesses <i>RMB'000</i> (Unaudited)	Other businesses <i>RMB'000</i> (Unaudited)	Consolidated <i>RMB'000</i> (Unaudited)
Revenue				
Timing of revenue recognition				
— At a point	646,372	73,506	18,584	738,462
— Over time	—	65,594	—	65,594
	<u>646,372</u>	<u>139,100</u>	<u>18,584</u>	<u>804,056</u>
Segment (loss)/profit	<u>(90,177)</u>	<u>(330,910)</u>	<u>3,457</u>	<u>(417,630)</u>
Unallocated corporate expenses				(39,467)
Unallocated other gains-net				128,907
Unallocated finance cost-net				<u>(17,906)</u>
Loss before income tax				<u>(346,096)</u>
Depreciation of property, plant and equipment	698	680	151	1,529
Depreciation of right-of-use assets	6,197	1,949	706	8,852
Amortisation of other intangible assets	3	1,249	—	1,252
Amortisation of film and television programmes rights	506,970	385,772	—	892,742
Share of loss of associates accounted for using the equity method	<u>684</u>	<u>—</u>	<u>—</u>	<u>684</u>

(c) **Segment assets and liabilities**

Segment assets and liabilities as at 30 June 2024 are as follows:

	Content production business <i>RMB'000</i> (Unaudited)	Online streaming and online gaming businesses <i>RMB'000</i> (Unaudited)	Other businesses <i>RMB'000</i> (Unaudited)	Consolidated <i>RMB'000</i> (Unaudited)
<b>ASSETS</b>				
Segment assets	<u>7,541,935</u>	<u>4,516,854</u>	<u>16,419</u>	<u>12,075,208</u>
Unallocated property, plant and equipment				712
Unallocated right-of-use assets				6,358
Unallocated prepayments, other receivables and deposits				858,375
Financial assets at FVPL				3,274,026
Financial assets at fair value through other comprehensive income ("FVOCI")				507
Deferred tax assets				19,154
Cash and cash equivalents				<u>2,764,926</u>
Consolidated total assets				<u>18,999,266</u>
<b>LIABILITIES</b>				
Segment liabilities	<u>(1,321,495)</u>	<u>(713,438)</u>	<u>(18,355)</u>	<u>(2,053,288)</u>
Unallocated other payables				(6,933)
Unallocated lease liabilities				(6,447)
Unallocated borrowings				(1,699,762)
Contingent consideration payable				(1,925,167)
Current income tax liabilities				(578,752)
Deferred tax liabilities				<u>(449,551)</u>
Consolidated total liabilities				<u>(6,719,900)</u>

Segment assets and liabilities as at 31 December 2023 are as follows:

	Content production business <i>RMB'000</i>	Online streaming and online gaming businesses <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>ASSETS</b>				
Segment assets	<u>8,128,589</u>	<u>3,618,029</u>	<u>15,624</u>	<u>11,762,242</u>
Unallocated prepayments, other receivables and deposits				824,016
Financial assets at FVPL				3,514,380
Financial assets at FVOCI				512
Deferred tax assets				10,106
Cash and cash equivalents				<u>569,902</u>
Consolidated total assets				<u>16,681,158</u>
<b>LIABILITIES</b>				
Segment liabilities	<u>(1,132,720)</u>	<u>(588,511)</u>	<u>(20,063)</u>	<u>(1,741,294)</u>
Unallocated other payables				(11,055)
Unallocated borrowings				(1,646,490)
Contingent consideration payable				(1,322,833)
Current income tax liabilities				(412,616)
Deferred tax liabilities				<u>(510,886)</u>
Consolidated total liabilities				<u>(5,645,174)</u>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable and operating segments, other than certain property, plant and equipment, prepayments, other receivables and deposits, right-of-use assets, financial assets at FVPL, financial assets at FVOCI, deferred tax assets and cash and cash equivalents; and
- all liabilities are allocated to reportable and operating segments, other than certain other payables, lease liabilities, borrowings, contingent consideration payables, current income tax liabilities and deferred tax liabilities.

**(d) Disaggregation of revenue from contracts with customers**

Revenue of the Group is analysed as follows:

	<b>Six months ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Content production	<b>48,081</b>	646,372
Online streaming and advertising services	<b>908,025</b>	95,662
Online gaming services	<b>865,074</b>	43,438
Sales of goods	<b>18,379</b>	18,584
	<b><u>1,839,559</u></b>	<b><u>804,056</u></b>

**(e) Geographical information**

The Group's operations are located in the PRC and Hong Kong for the six months ended 30 June 2024 and 2023.

Information about the Group's revenue from external customers is presented based on the location at which the goods or services are delivered or provided.

The Group's total revenue from sales of goods and provision of services by geographical location is detailed below:

	<b>Six months ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
PRC	<b>1,822,752</b>	792,255
Europe	<b>5,947</b>	6,678
Hong Kong	<b>7,143</b>	4,136
Others	<b>3,717</b>	987
	<b><u>1,839,559</u></b>	<b><u>804,056</u></b>

The Group's non-current assets excluding financial instruments and deferred tax assets by geographical location of the assets are detailed below:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
PRC	<b>6,839,522</b>	6,572,299
Hong Kong	<b>8,168</b>	835
	<b><u>6,847,690</u></b>	<b><u>6,573,134</u></b>

#### 4 EXPENSES BY NATURE

Major expenses included in cost of revenue, selling and marketing costs and administrative expenses are analysed as follows:

	<b>Six months ended</b>	
	<b>30 June 2024</b>	30 June 2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Employees benefit expenses (including directors' emoluments)	<b>133,211</b>	103,866
Content revenue-sharing, distribution and promotion costs	—	191,006
Cost of gaming development, distribution channels and promotions	<b>160,495</b>	—
Cost of inventories sold	<b>9,592</b>	7,984
Depreciation		
— Property, plant and equipment	<b>4,391</b>	1,529
— Right-of-use assets	<b>17,832</b>	8,852
Amortisation		
— Film and television programmes rights	<b>296,403</b>	892,742
— Other intangible assets	<b>3,545</b>	1,252
Advertising and promotion costs	<b>93,094</b>	2,631
Bandwidth and server custody fees	<b>18,102</b>	17,864
Distribution cost and payment handling fees	<b>33,741</b>	12,144
Short-term rental expenses	<b>2,066</b>	1,093
Travelling expenses	<b>2,964</b>	1,204
Others	<b>40,458</b>	30,972
	<b><u>815,894</u></b>	<b><u>1,273,139</u></b>

## 5 FINANCE COSTS — NET

	<b>Six months ended</b>	
	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>30 June 2023 RMB'000 (Unaudited)</b>
Finance costs:		
— Interests expenses on borrowings	(5,761)	(6,754)
— Interests expenses on film and television programmes investment funds from investors	(3,228)	(1,458)
— Interests expenses on lease liabilities	(1,584)	(959)
— Imputed interest expense	<u>(41,377)</u>	<u>(38,323)</u>
	<u>(51,950)</u>	<u>(47,494)</u>
Finance income:		
— Interest income on saving deposits	6,361	3,495
— Interest income on receivables from investments in film and television programmes rights, loans to third parties and other receivables from a related party	<u>42,165</u>	<u>34,470</u>
	<u>48,526</u>	<u>37,965</u>
Finance costs — net	<u><u>(3,424)</u></u>	<u><u>(9,529)</u></u>

## 6 INCOME TAX EXPENSE/(CREDIT)

	<b>Six months ended</b>	
	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>30 June 2023 RMB'000 (Unaudited)</b>
Current income tax		
— PRC corporate income tax	<u>253,075</u>	<u>17,570</u>
Deferred income tax	<u>(70,383)</u>	<u>(100,015)</u>
Income tax expense/(credit)	<u><u>182,692</u></u>	<u><u>(82,445)</u></u>



## 7 OTHER (LOSS)/GAIN — NET

	<b>Six months ended</b>	
	<b>30 June 2024 RMB'000 (Unaudited)</b>	30 June 2023 RMB'000 (Unaudited)
Fair value change in contingent consideration payable	(590,439)	187,217
Remeasurement of film and television programmes investment fund from investors	—	(3,187)
Fair value change in financial assets at FVPL (including film right investments)	(311,792)	(26,819)
Others	<u>(983)</u>	<u>2,907</u>
Other (loss)/gain — net	<u><u>(903,214)</u></u>	<u><u>160,118</u></u>

## 8 LOSSES PER SHARE

### (a) Basic

Basic losses per share is calculated by dividing the losses attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>Six months ended</b>	
	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
Losses attributable to equity holders of the Company (RMB'000)	<u>(114,653)</u>	<u>(262,250)</u>
Weighted average number of ordinary shares in issue (thousands)	<u>11,742,246</u>	<u>10,004,648</u>
Basic losses per share (RMB cents per share)	<u><u>(0.98)</u></u>	<u><u>(2.62)</u></u>

### (b) Diluted

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one categories of dilutive potential ordinary share: share warrants.

The number of shares that would have been issued assuming the exercise of the share warrants less the number of shares that could have been issued at fair value (determined as the average market price per share for the period) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted losses per share.

	<b>Six months ended</b>	
	<b>30 June 2024 (Unaudited)</b>	<b>30 June 2023 (Unaudited)</b>
Weighted average number of ordinary shares for calculation of basic losses per share (thousands)	<u>11,742,246</u>	<u>10,004,648</u>
Weighted average number of ordinary shares for diluted losses per share (thousands)	<b>11,742,246</b>	10,004,648
Losses attributable to equity holders of the Company (RMB'000)	<b>(114,653)</b>	(262,250)
Diluted losses per share (RMB cents per share) for the period	<u><b>(0.98)</b></u>	<u>(2.62)</u>

The share options granted by the Company should also have potential dilutive effect on the losses per share. During the six months ended 30 June 2024 and 2023, these share options have anti-dilutive effect to the Group's diluted losses per share.

As the Group incurred losses for the six months ended 30 June 2024, the potential ordinary shares were not included in the calculation of the diluted losses per share as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the six months ended 30 June 2024 are the same as basic losses per share.

## 9 TRADE AND BILLS RECEIVABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Trade receivables from related parties	<b>880,215</b>	842,364
Trade receivables from third parties	<u>2,103,697</u>	<u>1,648,450</u>
	<b>2,983,912</b>	2,490,814
Less: allowance for impairment of trade receivables	<u><b>(212,641)</b></u>	<u>(162,727)</u>
	<b>2,771,271</b>	2,328,087
Bills receivables	<u>6,000</u>	<u>89,000</u>
	<u><b>2,777,271</b></u>	<u>2,417,087</u>

- (a) Trade and bills receivables mainly arose from the provision of content production, online gaming and online streaming services. The following is an ageing analysis of trade and bills receivables net of allowance for impairment, based on the recognition date at the end of the reporting period.

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 90 days	<b>1,603,005</b>	1,452,304
91 days to 180 days	<b>225,117</b>	276,952
181 days to 365 days	<b>503,973</b>	224,561
1 year to 2 years	<b>274,108</b>	273,447
Over 2 years	<b>171,068</b>	189,823
	<b><u>2,777,271</u></b>	<b><u>2,417,087</u></b>

## 10 TRADE PAYABLES

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade payables to:		
— Third parties	<b>479,971</b>	356,997
— Related parties	<b>4,138</b>	421
	<b><u>484,109</u></b>	<b><u>357,418</u></b>

The ageing analysis of trade payables of the Group based on invoice date are as follows:

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 60 days	<b>451,294</b>	330,995
61 days to 150 days	<b>31,500</b>	25,125
Over 151 days	<b>1,315</b>	1,298
	<b><u>484,109</u></b>	<b><u>357,418</u></b>

The carrying amounts of trade payables approximated their fair values as at 30 June 2024 and 31 December 2023.

## 11 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares, issued and fully paid:

	<b>Number of ordinary shares</b>	<b>Share capital RMB'000</b>	<b>Share premium RMB'000</b>
<b>At 1 January 2023 and 30 June 2023 (Unaudited)</b>	<u>10,004,647,545</u>	<u>193,805</u>	<u>9,379,095</u>
<b>At 31 December 2023 and 1 January 2024 (Audited)</b>	11,585,897,545	222,761	11,664,209
Issuance of ordinary shares (a)	<u>918,750,000</u>	<u>16,720</u>	<u>1,319,526</u>
<b>As at 30 June 2024 (Unaudited)</b>	<u>12,504,647,545</u>	<u>239,481</u>	<u>12,983,735</u>

- (a) During the six months ended 30 June 2024, the Company issued a total of 918,750,000 placing shares at the subscription prices of HK\$1.6 per share with gross proceeds of approximately HK\$1,470,000,000 (equivalent to approximately RMB1,337,627,000). After netting off these gross proceeds with share issuance costs, the respective share capital amount was approximately RMB16,720,000 and share premium arising from the issuance was approximately RMB1,319,526,000. The share issuance costs mainly include lawyers' fees and other related costs, which are incremental costs directly attributable to the issuance of the new shares and therefore treated as a deduction against the share premium arising from the issuance.

The directors do not recommend the payment of final dividend for the six months ended 30 June 2024 (2023: Nil).

By order of the Board  
**China Ruyi Holdings Limited**  
**Ke Liming**  
*Chairman*

Hong Kong, 30 August 2024

*As at the date of this announcement, the Executive Directors of the Company are Mr. Ke Liming and Mr. Zhang Qiang; the Non-Executive Director of the Company is Mr. Yang Ming; and the Independent Non-Executive Directors of the Company are Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin.*