



# 魯大師

**360** LUDASHI HOLDINGS LIMITED  
魯大師控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 3601



**2024**  
**INTERIM REPORT**

Character of "Kung Fu Panda: Chi Master"

# CONTENTS

2	Corporate Information
4	Management Discussion and Analysis
20	Other Information
28	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
29	Condensed Consolidated Statement of Financial Position
30	Condensed Consolidated Statement of Changes in Equity
31	Condensed Consolidated Statement of Cash Flows
32	Notes to the Condensed Consolidated Financial Statements
47	Definition and Glossary



# CORPORATE INFORMATION

## THE BOARD OF DIRECTORS

### Executive Directors

Mr. Tian Ye (*Chairman*)

Mr. He Shiwei

### Non-executive Directors

Mr. Li Xin (appointed on 12 June 2024)

Mr. Liu Wei

Mr. Zhao Dan

Mr. Sun Chunfeng (resigned on 12 June 2024)

### Independent non-executive Directors

Mr. Li Yang

Mr. Wang Xinyu

Mr. Zhang Ziyu

## AUDIT COMMITTEE

Mr. Zhang Ziyu (*Chairman*)

Mr. Li Yang

Mr. Wang Xinyu

## NOMINATION COMMITTEE

Mr. Tian Ye (*Chairman*)

Mr. Li Yang

Mr. Wang Xinyu

## REMUNERATION COMMITTEE

Mr. Wang Xinyu (*Chairman*)

Mr. Tian Ye

Mr. Zhang Ziyu

## COMPANY SECRETARY

Mr. Cheng Ching Kit

## AUTHORIZED REPRESENTATIVES

Mr. Tian Ye

Mr. Cheng Ching Kit

## AUDITOR

Deloitte Touche Tohmatsu

*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*

35/F, One Pacific Place, 88 Queensway

Hong Kong

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

11/F, 11-24 Tianfu Software Site E1

1268 Tianfu Avenue, High-tech Zone

Chengdu, Sichuan Province, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

## LEGAL ADVISERS

*As to Hong Kong laws:*

Jingtian & Gongcheng LLP  
Suites 3203-3207, 32/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*As to PRC laws:*

Llinks Law Offices  
19/F, One Lujiazui  
68 Yin Cheng Road Middle  
Shanghai, PRC

*As to Cayman Islands laws:*

Conyers Dill & Pearman  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKER

China Merchants Bank Chengdu Tianfudadao  
Sub-Branch

## STOCK CODE

3601

## COMPANY WEBSITE

[www.ludashi.com](http://www.ludashi.com)

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

### Business Review

In the first half of 2024, the PRC experienced slowing economic growth and an inactive market atmosphere, leading to more conservative customer consumption and a corresponding reduction in capital investment by companies. Although digital marketing remains an important strategy for market promotion, the business environment was undoubtedly hit by low consumption power. Most companies took a more conservative approach to their budgets amid economic uncertainties. The number of advertisements from the Group's clients continued to decline and its online advertising services business for PC and overseas mobile device utility software was also significantly impacted, resulting in an overall profit decline of the Group.

The modern technology industry steers the development of other industries. The Group has actively seized opportunities of such business development to develop more utility software for different industries and explore more profitable business opportunities. Furthermore, through developing the online game business and exploring e-commerce business for mobile devices, the Group recorded certain growth in revenue despite a decrease in net profit in the first half of 2024 due to the continuous decline of its online advertising services business for PC and overseas mobile device utility software, which had a relatively high gross profit. Even facing ever-changing market conditions, the Group will continue to explore and strive for new growth points.

In the first half of 2024, the Group continued to focus on the development of its online traffic monetization business. Through upgrading and iterating our products, as well as research and development and launch of new products, we continued to explore new business directions for our online advertising services business. The e-commerce business for mobile devices also achieved development. As for our online game business, including the operation of online game platforms and operation of exclusive licensed online game business, we acquired new gamers and expanded our user base by continuously launching attractive new online games and conducting marketing and promotional campaigns.

We developed a series of PC and mobile device utility software which were offered to users free of charge in exchange for online traffic which we monetized through the Group's online advertising services business and online game business. In particular, our utility software, "Ludashi Software", a well-known brand and software in China and globally specializing in PC/smartphone hardware and system benchmarking and monitoring, had accumulated a large user base through providing free downloads and installations. Meanwhile, we were committed to the research and development and advertising of various utility software for mobile devices in the domestic market, from which we have accumulated a vast number of active users. In the first half of 2024, although we continued to promote the traffic purchase for Ludashi Software and various utility software, the promotion effect failed to meet our expectations and the number of our MAUs decreased due to the sluggish overall market in China. Therefore, as at 30 June 2024, the MAUs of all our PC and mobile device utility software amounted to approximately 71.9 million.

In the first half of 2024, the PC version of Ludashi Software, adhering to the core concept of “Technology-driven innovation, AI realizing user vision”, achieved innovation in product functions and technological leaps. Through the deep integration of AI technology, the Group has launched a series of intelligent and personalized computer tools, which have greatly enhanced user experience. Key achievements include (1) the launch of an AI intelligent cleaning system to perform functions such as C drive redundant file cleaning, duplicate file cleaning, disk cleaning and memory optimization; (2) the launch of intelligent system management tools, such as intelligent context menu management, adaptive Windows update management and dynamic taskbar optimization, etc.; (3) updating the security protection system; (4) the launch of an AI office assistant; and (5) a comprehensive upgrade of the benchmarking system. With such innovations and optimizations, the PC version of Ludashi Software has been enabled to provide users with a smarter, more personalized and more efficient computer use environment in 2024. Driven by technological innovation, the Group will further take advantage of AI technology to continuously explore and develop new features to create more value for users in a way that promotes the development of the industry.

The Group has vigorously developed its e-commerce business for mobile devices in the first half of 2024. Leveraging on its extensive experience in traffic placement, the Group provides precise traffic placement and attraction services for live streaming and short videos on renowned domestic e-commerce platforms for mobile devices to earn revenue from traffic placement. In the second half of 2024, the Group will focus more on optimizing our traffic placement strategy and increasing profitability through more precise and efficient traffic placement services.

In the first half of 2024, by following the boutique strategy, the Group’s online game platforms successively launched various online game products to provide users with better gaming experience and customer service. In the first half of 2024, the Group achieved efficient user conversion, and the overall payment amount per user increased as compared with the corresponding period last year. The Group has established an exclusive service mechanism, and the customer service satisfaction of new and existing users continues to increase.

In the first half of 2024, the Group continued to expand its user base through the launch of new exclusive licensed online games and the ongoing promotion of existing online games. The Group’s newly launched exclusive licensed online game “Call Me Grand Director (《叫我大導演》)”, is currently available in Hong Kong, Macau Special Administrative Region of the PRC, Taiwan, Singapore and Malaysia, and will be launched in Europe and the Americas in the future. The Group’s current reserve of online game products covers categories including business operation simulation game, role-playing game, IP licensing, and card game, etc. It is expected that some of these online game products will be launched in the second half of the year, among which, “Kung Fu Panda: Dragon Warrior (《功夫熊貓：神龍大俠》)” is planned to be tested in Australia, the Philippines, Singapore, Malaysia and other countries in the second half of 2024.

The Group has also continued to closely monitor the utility products for mobile devices in the overseas market and has actively expanded its product lines. Upholding the concept of focusing on users' needs, the Group has been committed to providing efficient and practical utility products. In the first half of 2024, the Group further innovated and expanded by successfully launching four new utility products. In particular, it is worth noting that one of the Group's utility products ranked among the top ten in application markets in many countries around the world. This not only proves the outstanding quality of the Group's products, but also reflects the Group's keen insight into market trends and deep understanding of users' needs. In the second half of 2024, the Group will remain committed to innovation and the localization strategy in regions of launching, so as to provide users with more practical products.

In the first half of 2024, the Group has explored new business types in addition to expansion of its existing evaluation business. We launched a private cloud product, "Ludashi AiNAS", which has been in development for many years, and pioneered the development of a deep interconnection system platform between mobile phones and PC to allow a low-thread access to NAS by users. Moreover, the Group has established research laboratories with a renowned university and conducted in-depth discussions with industry-leading professionals to explore the innovation and wider application of evaluation technology.

## OUTLOOK

Looking ahead to the second half of 2024, the economy is expected to gradually recover under various economic stimulus policies rolled out by the government of China. The Group is confident in its existing business and will continue to focus on developing new businesses, including but not limited to continuously enriching domestic and overseas product matrix for mobile devices and expanding e-commerce business for mobile devices, so as to expand our market share. At the same time, the Group also focuses on the steady development of its existing businesses in order to achieve long-term, healthy, sound and sustainable development of the Group.

The Group will further increase the user numbers and stickiness of our utility software and online game business through continued efforts to actively improve our software products and enrich our product matrix. In the meantime, we will leverage on our expertise in PC, mobile device hardware, system benchmarking and monitoring to develop innovative products so as to enhance our monetization capability. In addition, we will, through stabilizing the relationship with our suppliers, customers and users, strive to increase our operating revenue and profitability and continue to create greater value for our Shareholders and investors.

In the second half of 2024, the Group will continue to implement the following strategies and strive to become a reliable hardware expert and leading internet company:

- update and iterate the PC version of Ludashi Software on an on-going basis, and proactively improve our product features to adapt to more requirements of users;
- continuously develop various types of online games and explore new distribution strategies for our premium products, and keep distributing and operating our exclusive licensed online games in China and overseas;

- continue to expand the scale of promotion investment in online game business, combine the online game traffic direction business with online game distribution business, and keep improving our competitiveness, so as to expand the scale of our operating revenue;
- complement and improve the precise traffic placement capability of the e-commerce for mobile devices, and improve traffic attracting ability and conversion efficiency;
- continue to enrich the domestic and overseas product matrix for mobile devices, and obtain more quality users through development and promotion of more diversified utility products;
- further improve our product quality, maintain and expand our user base, and stabilize the overseas markets by strengthening our research and development capability, and enhance our brand image as a reliable hardware expert; and
- continue to attract and retain talents and professionals, and form strategic alliances with business partners and pursue investments and acquisitions.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

We derived revenue from two business lines, namely online traffic monetization and electronic devices sales. The revenue of online traffic monetization is generated from online advertising services, online game platforms and the operation of exclusive licensed online game business. The revenue from electronic devices sales mainly includes revenue from sales of smart accessories.

Our revenue increased by over 100% from approximately RMB291.8 million for the six months ended 30 June 2023 to approximately RMB742.1 million for the six months ended 30 June 2024. The increase was mainly attributable to (1) the Group acquired 80% equity interest in Tianjin Qiyu Network Technology Company Limited\* (天津旗魚網絡科技有限公司) (“**Tianjin Qiyu**”) in early May 2023, so only two months of its revenue were included in the first half of 2023, whereas the entire first six months of 2024 benefited from this acquisition; (2) in the first half of 2023, Tianjin Qiyu had two well-performing exclusive licensed online games, while in the first half of 2024, Tianjin Qiyu had three outstanding exclusive licensed online games, with the newly launched exclusive licensed online game which contributed significantly to the Group’s revenue; and (3) the Group vigorously developed its e-commerce business for mobile devices in the first half of 2024, resulting in a significant increase in revenue.



The following table sets forth our segment revenue by amount and as a percentage of our revenue for the six months ended 30 June 2023 and 2024:

	For the six months ended 30 June			
	2024		2023	
	RMB'000 (Unaudited)	Proportion (%)	RMB'000 (Unaudited)	Proportion (%)
<b>Online traffic monetization</b>				
Online advertising services	279,782	37.6	102,196	35.0
Online game platforms	16,988	2.3	65,121	22.3
Operation of exclusive licensed online game business	445,343	60.0	124,255	42.6
<b>Electronic devices sales</b>				
Smart accessories sales	12	0.1	228	0.1
<b>Total</b>	<b>742,125</b>	<b>100.0</b>	<b>291,800</b>	<b>100.0</b>

(i) *Online traffic monetization*

(a) *Online advertising services*

Our revenue from online advertising services increased by over 100.0% from approximately RMB102.2 million for the six months ended 30 June 2023 to approximately RMB279.8 million for the six months ended 30 June 2024. This is attributable to the Group's vigorous development of e-commerce business for mobile devices in the first half of 2024, resulting in a significant increase in the Group's revenue.

(b) *Online game platforms*

Our revenue from online game platforms decreased by approximately 73.9% from approximately RMB65.1 million for the six months ended 30 June 2023 to approximately RMB17.0 million for the six months ended 30 June 2024. Such decrease was mainly due to (1) several online games that had been in operation reaching a late stage of their game life-cycle; and (2) the overall inactivity in the market, which resulted in the decreased amount of payments made by paying players.

(c) *Operation of exclusive licensed online game business*

Our revenue from operation of exclusive licensed online game business increased by over 100.0% from approximately RMB124.3 million for the six months ended 30 June 2023 to approximately RMB445.3 million for the six months ended 30 June 2024. Such increase was mainly due to (1) the Group acquired 80% equity interest in Tianjin Qiyu in early May 2023, so only two months of its revenue were included in the first half of 2023, whereas the entire first six months of 2024 benefited from this acquisition; and (2) in the first half of 2023, Tianjin Qiyu had two well-performing exclusive licensed online games, while in the first half of 2024, Tianjin Qiyu had three outstanding exclusive licensed online games, with the newly launched exclusive licensed online game which contributed significantly to the Group's revenue.

**(ii) Electronic devices sales**

Our revenue from electronic devices sales decreased by approximately 94.7% from approximately RMB0.2 million for the six months ended 30 June 2023 to approximately RMB12,000 for the six months ended 30 June 2024, which was mainly due to the decrease in income generated from the sales of electronic hardware products.

**Costs of sales and services**

The following table sets forth a breakdown of our costs of sales and services by amount and as a percentage of costs of sales and services for the six months ended 30 June 2023 and 2024:

	For the six months ended 30 June			
	2024		2023	
	RMB'000 (unaudited)	Proportion (%)	RMB'000 (unaudited)	Proportion (%)
<b>Online traffic monetization</b>				
Advertising and promoting	650,884	99.3	197,936	98.0
Server leasing	4,653	0.6	3,953	1.9
<b>Electronic devices sales</b>				
Smart accessories sales	107	0.1	65	0.1
<b>Total</b>	<b>655,644</b>	<b>100.0</b>	<b>201,954</b>	<b>100.0</b>

**(i) Online traffic monetization**

Cost of online traffic monetization business increased by over 100.0% from approximately RMB201.9 million for the six months ended 30 June 2023 to approximately RMB655.5 million for the six months ended 30 June 2024, which was mainly due to the increase in the cost of operation of exclusive licensed online game business, and the increase in the cost of traffic placement for the expansion of the e-commerce business for mobile devices.

**(ii) Electronic devices sales**

Cost of electronic devices sales increased by approximately 64.6% from approximately RMB65,000 for the six months ended 30 June 2023 to approximately RMB107,000 for the six months ended 30 June 2024, which was mainly due to the increase in cost of sales of electronic hardware products.

### Gross profit and gross profit margin

The following table sets forth our gross profit and gross profit margin by business line for the six months ended 30 June 2023 and 2024:

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i> <i>(unaudited)</i>	<i>Gross</i> <i>profit margin</i> <i>(%)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>Gross</i> <i>profit margin</i> <i>(%)</i>
Online traffic monetization	86,576	11.7	89,683	30.8
Electronic devices sales	(95)	(791.7)	163	71.5
<b>Total gross profit and gross profit margin</b>	<b>86,481</b>	<b>11.7</b>	<b>89,846</b>	<b>30.8</b>

Our gross profit decreased by approximately 3.7% from approximately RMB89.8 million for the six months ended 30 June 2023 to approximately RMB86.5 million for the six months ended 30 June 2024, and the gross profit margin was approximately 30.8% and 11.7% for the six months ended 30 June 2023 and 2024, respectively. The decrease in gross profit margin was mainly due to the increase in the proportion of operation of exclusive licensed online game business and e-commerce business for mobile devices, which had lower gross profit margins to the Group's overall businesses.

### Other income

Other income decreased by approximately 37.4% from approximately RMB5.3 million for the six months ended 30 June 2023 to approximately RMB3.3 million for the six months ended 30 June 2024, which was mainly due to a decrease in interest income from bank deposits and governments grants.

### Other gains and losses

We recorded an increase in other losses by over 100.0% from approximately RMB1.6 million for the six months ended 30 June 2023 to approximately RMB3.3 million for the six months ended 30 June 2024, which was mainly due to provisions made for loss on investment in unlisted equity.

### Administrative expenses

Administrative expenses increased by approximately 22.3% from approximately RMB16.2 million for the six months ended 30 June 2023 to approximately RMB19.8 million for the six months ended 30 June 2024. The increase in administrative expenses was due to the increase in consulting service fees and the reduction in the number of employees for business optimization, which resulted in payment of compensation expenses.

### Research and development expenses

Research and development expenses increased by approximately 10.7% from approximately RMB23.8 million for the six months ended 30 June 2023 to approximately RMB26.4 million for the six months ended 30 June 2024. The increase in research and development expenses was mainly due to the reduction in the number of research and development employees for business optimization, which resulted in payment of corresponding compensation expenses.

### **Selling and distribution expenses**

Selling and distribution expenses increased by approximately 3.4% from approximately RMB13.1 million for the six months ended 30 June 2023 to approximately RMB13.6 million for the six months ended 30 June 2024. Selling and distribution expenses remained relatively stable as compared with the same period last year.

### **Taxation**

Taxation decreased by approximately 17.1% from approximately RMB5.1 million for the six months ended 30 June 2023 to approximately RMB4.3 million for the six months ended 30 June 2024. Such decrease was mainly due to the decrease in the Group's profit before tax.

### **Profit and total comprehensive income for the period**

As a result of the foregoing, the profit and total comprehensive income for the period of the Group decreased by approximately 30.3% from approximately RMB31.4 million for the six months ended 30 June 2023 to approximately RMB21.9 million for the six months ended 30 June 2024.

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO**

Since Listing, we have financed our cash requirements through a combination of cash generated from operating activities and the proceeds from the Listing. In the future, we expect to continue to rely on cash flows generated from operations and other debt and equity financing to fund our working capital needs and finance part of our business expansion.

As at 31 December 2023 and 30 June 2024, our bank balances and cash amounted to approximately RMB533.9 million and approximately RMB427.7 million, respectively.

The Group mainly operates in China and its functional currency is RMB. However, we are exposed to foreign currency risks due to certain bank balances, trade receivables and certain payables denominated in foreign currencies held by us. We believe the existing bank balances, trade receivables and certain payables denominated in foreign currencies expose us to limited and controllable foreign currency risks. We will continue to monitor the movements in exchange rates and will take measures to mitigate the impacts brought by movements in exchange rates if necessary.

As at 30 June 2024, we did not have any bank borrowings. Accordingly, no gearing ratio is presented.

## CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the year ended 31 December 2023 and for the six months ended 30 June 2024:

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the year ended 31 December 2023 RMB'000 (audited)
Purchase of property, plant and equipment	460	701
<b>Total</b>	<b>460</b>	<b>701</b>

Our capital expenditures primarily include expenditures for purchase of property and equipment such as laboratories, servers and computers.

## SIGNIFICANT INVESTMENTS HELD

In order to effectively utilize the Group's idle funds and generate better returns, the Group has from time to time subscribed for principal-guaranteed structured deposit products issued by reputable commercial banks with its idle funds.

These structured deposit products subscribed by the Group (the "Structured Deposit Products") are fully principal-guaranteed with minimal risks involved and their returns are relatively high as compared with the deposit interest rates generally offered by commercial banks in the PRC. The Structured Deposit Products were funded by the Group's idle funds with a relatively short term which would not affect the operational liquidity of the Group.

During the Reporting Period, the Group subscribed 6 Structured Deposit Products offered by China Merchants Bank, details of which are as follows:

**i. The Structured Deposit Product Agreement XXXIV**

Date: 4 January 2024

Product: Gold-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank\*  
(招商銀行點金系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB50 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.70%

Term of the deposit: 21 days

Value date: 5 January 2024

Expiry date: 26 January 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination and redemption of the product

## ii. The Structured Deposit Product Agreement XXXV

Date: 2 February 2024

Product: Gold-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank\*  
(招商銀行點金系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB43 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.71%

Term of the deposit: 21 days

Value date: 5 February 2024

Expiry date: 26 February 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination and redemption of the product

### iii. The Structured Deposit Product Agreement XXXVI

Date: 4 March 2024

Product: Gold-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank\*  
(招商銀行點金系列看跌兩層區間21天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB46 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.71%

Term of the deposit: 21 days

Value date: 5 March 2024

Expiry date: 26 March 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Anyixun Technology has no right of early termination and redemption of the product



#### iv. The Structured Deposit Product Agreement XXXVII

Date: 15 April 2024

Product: Exchange rate-linked Series Bearish Two-tier 14-days Structured Deposit of China Merchants Bank\* (招商銀行智匯系列看跌兩層區間14天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB40 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of USD to JPY. Deposit interest is determined based on the performance of the linked exchange rate of USD to JPY

Expected maturity interest rate per annum: 1.85% to 2.86%

Term of the deposit: 14 days

Value date: 16 April 2024

Expiry date: 30 April 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination and redemption of the product

**v. The Structured Deposit Product Agreement XXXVIII**

Date: 8 May 2024

Product: Exchange rate-linked Series Bearish Two-tier 21-days Structured Deposit of China Merchants Bank\* (招商銀行智匯系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB40 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of EUR to USD. Deposit interest is determined based on the performance of the linked exchange rate of EUR to USD

Expected maturity interest rate per annum: 1.85% to 2.61%

Term of the deposit: 21 days

Value date: 9 May 2024

Expiry date: 30 May 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination and redemption of the product

## vi. The Structured Deposit Product Agreement XXXIX

Date: 5 June 2024

Product: Exchange rate-linked Series Bearish Two-tier 21-days Structured Deposit of China Merchants Bank\* (招商銀行智匯系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB45 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of EUR to USD. Deposit interest is determined based on the performance of the linked exchange rate of EUR to USD

Expected maturity interest rate per annum: 1.85% to 2.51%

Term of the deposit: 21 days

Value date: 6 June 2024

Expiry date: 27 June 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination and redemption of the product

As at 30 June 2024, the Structured Deposit Product Agreement XXXIV, Structured Deposit Product Agreement XXXV, Structured Deposit Product Agreement XXXVI, Structured Deposit Product Agreement XXXVII, Structured Deposit Product Agreement XXXVIII and Structured Deposit Product Agreement XXXIX have expired and the total amount of the actual interest received from these matured Structured Deposit Products were RMB77,671.23, RMB67,044.66, RMB71,722.19, RMB43,879.45, RMB60,065.75 and RMB64,984.93, respectively.

As at 30 June 2024, there were no outstanding Structured Deposit Products. Save as disclosed in this report, there were no other significant investments held during the Reporting Period.

## MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant acquisitions and disposals during the Reporting Period.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2024, the Group had no specific plans for material investments or capital assets.

## EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2024, we had 222 full-time employees, all of whom are located in the PRC. Specifically, such full-time employees included 2 senior management members, 87 employees who are responsible for sales and marketing, 105 employees who are responsible for research and development and 28 administrative employees.

We offer employees competitive remuneration, performance-based bonuses and incentives. Our employees' performance is reviewed every year on the basis of, among other criteria, their ability to achieve stipulated performance targets. We place great emphasis on the training and development of our employees. We have developed a series of personalized training conferences based on our industry experience over the years. We invest in continuing education and training programs for our management personnel and other employees with a view to constantly upgrading their skills and knowledge. We also arrange internal and external professional training programs to develop our employees' skills and knowledge. These programs include further education, basic economic and financial knowledge and skills training, as well as professional development courses for our management personnel. New employees are required to attend induction meetings to ensure they have understanding of the Group and the necessary skills to perform their duties. In accordance with the applicable PRC laws and regulations, we have made contributions to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident funds for our employees.

## PLEDGE OF ASSETS

As of 30 June 2024, the Group did not have any pledge of assets.

## CONTINGENT LIABILITIES AND GUARANTEES

As of 30 June 2024, the Group did not have any significant contingent liabilities, guarantees or any litigations.

## EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 30 June 2024 and up to the date of this report.

# OTHER INFORMATION

## INTERIM DIVIDEND

The Board has resolved not to pay the interim dividend for the six months ended 30 June 2024.

## COMPLIANCE WITH THE CG CODE

The Company is committed to maintaining and ensuring a high standard of corporate governance practices and the corporate governance principles adopted by the Company are in the interests of the Company and its Shareholders.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Tian Ye currently performs these two roles concurrently. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company to ensure appropriate and timely arrangements are in place to meet changing circumstances.

During the Reporting Period, save as disclosed above, the Company has complied with all the code provisions under the CG Code as set forth in Appendix C1 to the Listing Rules.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiries, all the Directors confirmed that they have strictly complied with the required standards as set out in the Model Code throughout the Reporting Period.

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares).

The Company did not hold any treasury shares as of 30 June 2024.

## CHANGE IN DIRECTORS' INFORMATION

Change in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Mr. Li Yang was appointed as an independent non-executive director of Shanghai Chicmax Cosmetic Co., Ltd., the shares of which are listed on the Stock Exchange (stock Code: 2145) in May 2024.
- Mr. Sun Chunfeng has resigned as a non-executive Director with effect from 12 June 2024.
- Mr. Li Xin (“**Mr. Li**”) has been appointed as a non-executive Director with effect from 12 June 2024.

Mr. Li has approximately 13 years of experience in the software development and the Internet advertising traffic distribution industries. From 2011 to 2013, Mr. Li founded Shanghai Tuizhong Network Technology Studio\* (上海推眾網絡科技工作室), which was mainly engaged in PC software distribution business. From 2013 to 2017, Mr. Li worked at Shanghai Gaoxin Computer System Company Limited\* (上海高欣計算機系統有限公司) as a project director. Since 2017, Mr. Li has been working at Shanghai Dongfangwang Digital Technology and currently serves as project manager, operation director and deputy general manager. Since 2020, Mr. Li has also been serving as a director of Shanghai Songmei Network Technology Company Limited\* (上海嵩媒網絡科技有限公司), Weipin (Zhejiang) E-commerce Company Limited\* (微拼(浙江)電子商務有限公司) and Chongqing Yuepin Technology Company Limited\* (重慶閱品科技有限公司), all of which are subsidiaries of Dongfangwang Digital Technology.

Mr. Li is completed his advance study in computer application technology at the University of Electronic Science and Technology of China in June 2024.

Save as disclosed herein, there has been no change in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## CONTRACTUAL ARRANGEMENTS

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment\* (外商投資准入特別管理措施(負面清單)) and the Catalogue of Industries for Encouraging Foreign Investment\* (鼓勵外商投資產業目錄) collectively, (the “**Catalogues**”), which were promulgated and are amended from time to time jointly by the Ministry of Commerce and the National Development and Reform Commission of the PRC. The Catalogues divide industries into three categories in terms of foreign investment, namely “encouraged,” “restricted” and “prohibited”, and all industries not listed under any of these categories are deemed to be “permitted”. The Group is principally engaged in online monetization in the form of online advertising and online game business, and the online game business operations are subject to the foreign investment restrictions according to the relevant PRC laws and regulations. As such, the Group operates its online game business through the PRC Operating Entities. The Group does not directly own any equity interest in Chengdu Qilu, which is held by the Relevant Shareholders, namely (i) Qihu Technology (41.6667%); (ii) Mr. Tian Ye (28.1155%); (iii) Dongfangwang Digital Technology (23.8095%); and (iv) Qilu Haochen (6.4083%).

In order to comply with the PRC laws and regulations and to maintain effective control over the operations of the PRC Operating Entities, WFOE entered into the Contractual Arrangements with Chengdu Qilu and the Relevant Shareholders (being the registered shareholders of Chengdu Qilu) (where applicable). Under the Contractual Arrangements, WFOE has acquired effective control over the financial and operational policies of the PRC Operating Entities and is entitled to all the economic benefits derived from their operations, as the Contractual Arrangements allow the results of operations and assets and liabilities of Chengdu Qilu and its subsidiaries to be consolidated into our results of operations and assets and liabilities under HKFRSs as if they were wholly-owned subsidiaries of the Group.

On 11 December 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the “**FITE Regulations**”), which were amended on 10 September 2008, 6 February 2016 and 29 March 2022, respectively. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including provision of Internet content services. In addition, prior to 1 May 2022, a major foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a good proven track record of business operations overseas (the “**Qualification Requirements**”). Under the latest amendments to the FITE Regulations which became effective on 1 May 2022, the foreign investors’ equity ownership in a company providing value-added telecommunications services in the PRC is still prohibited from exceeding 50%, unless otherwise provided in the PRC laws, regulations or rules. In addition, the latest FITE Regulations have abolished the Qualification Requirements such that it is no longer a pre-requisite for establishing foreign-invested value-added telecommunications enterprises in the PRC. Based on the Notice regarding the Strengthening of Ongoing and Post Supervision of Foreign Invested Telecommunication Enterprises issued by the Ministry of Industry and Information Technology (“**MIIT**”) in October 2020, foreign invested telecommunications enterprises are also no longer required to obtain the prior MIIT approval letter on foreign investment in telecommunications businesses. Nonetheless, these enterprises still need to submit the relevant materials to the MIIT to apply for telecommunications operating permits, and the other requirements provided by the FITE Regulations still apply. Essentially, the corresponding foreign investment will also be considered by the MIIT in its approval process for the telecommunications operating permits (the “**MIIT Approval Process**”). However, as of 30 June 2024, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation to clarify the MIIT Approval Process.

Despite the lack of clear guidance or interpretation on the requirements for foreign investors investing in value-added telecommunications business in the PRC, and no further implementing regulations or rules to the latest FITE Regulations have been promulgated, with reference to past and current effective regulations, as at the date of this report, the Company still takes all reasonable steps to satisfy the track record requirements for foreign investment in telecommunications businesses. The Company will continue to communicate with the relevant governmental authorities and provide updates where necessary. We will unwind and terminate the Contractual Arrangements wholly or partially once our business is no longer prohibited or restricted from foreign investment.

## Business Overview of the PRC Operating Entities

Both of Chengdu Qilu and its subsidiaries are principally engaged in the online game operation.

The PRC Operating Entities hold certain licenses and permits required for the operation of abovementioned business, referred to as the “Internet Content Provider License”. Our WFOE, namely Anyixun Technology, entered into the Contractual Arrangements with the PRC Operating Entities and the Relevant Shareholders, where applicable, in order to conduct the business of online game operation in the PRC and to assert management control over the operations of, and enjoy all economic benefits from, each of the PRC Operating Entities. Pursuant to the Contractual Arrangements, all substantial and material business decisions of the PRC Operating Entities will be instructed and supervised by the Group, through Chengdu Qilu, and all risks arising from the business of the PRC Operating Entities are also effectively borne by Chengdu Qilu.

## Risks Relating to the Contractual Arrangements and Measures Taken by the Company to Mitigate Risks

### *Risks Relating to the Contractual Arrangements*

- In order to comply with the PRC laws and regulations limiting foreign ownership of internet businesses, we conduct our business through our PRC Operating Entities by way of Contractual Arrangements. If the PRC Government determines that these Contractual Arrangements do not comply with applicable regulations, our business could be materially and adversely affected.
- Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law of the PRC and its implementation rules and how it may impact the viability of our current corporate structure, corporate governance and business operations.
- The Contractual Arrangements may not be as effective in providing operational control as direct ownership and Chengdu Qilu or its shareholders may fail to perform their obligations under the Contractual Arrangements.
- We may lose the ability to use and enjoy assets and licenses held by Chengdu Qilu and its subsidiaries that are material to the operation of our business if Chengdu Qilu or its subsidiaries declare bankruptcy or become subject to a dissolution or liquidation proceeding.
- The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that we owe additional taxes could substantially reduce our consolidated net income and the value of investment of the Shareholders.
- Shareholders of Chengdu Qilu may potentially have a conflict of interest with us, and they may breach their contracts with us or cause such contracts to be amended in a manner contrary to our interests.



## OTHER INFORMATION

- We conduct our business operation in the PRC through Chengdu Qilu and its subsidiaries by way of Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under the PRC laws.
- If we exercise the option to acquire equity ownership of Chengdu Qilu, the ownership transfer may subject us to certain limitations and substantial costs.

Further details of these risks are set out in the section headed “Risk Factors – Risks Relating to Our Contractual Arrangements” on pages 63 to 70 of the Prospectus.

### *Measures Taken by the Company to Mitigate Risks*

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- (b) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) the Company will annually disclose the overall performance of and compliance with the Contractual Arrangements in its annual reports; and
- (d) the Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board with reviewing the implementation of the Contractual Arrangements, and review the legal compliance of WFOE and the PRC Operating Entities to deal with specific issues or matters arising from the Contractual Arrangements.

## AUDIT COMMITTEE

The Company has established the Audit Committee, the primary duties of which are to make recommendations to the Board on the appointment and dismissal of the external auditor, monitor and review the financial statements and information, oversee the financial reporting system, risk management and internal control systems of the Company and perform corporate governance procedures of the Company. The Audit Committee consists of three members, namely Mr. Zhang Ziyu, Mr. Li Yang and Mr. Wang Xinyu. The chairman of the Audit Committee is Mr. Zhang Ziyu.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2024, including the accounting principles and practices adopted by the Group, and the Group’s internal control functions.

## SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 9 September 2019 which took effect upon Listing, under which selected employees (including, among others, Directors and full-time employees) may be granted options to subscribe for the Shares to motivate them to optimize their future contributions to the Group. For more details, please refer to the section headed “Directors’ Report” of the 2023 Annual Report.

The number of options available for grant under the Share Option Scheme as at 1 January 2024 and 30 June 2024 was 26,000,000. No service provider submit was set under the Share Option Scheme. During the six months ended 30 June 2024 and up to the date of this report, no share options had been granted, exercised, cancelled or lapsed, nor were any options outstanding under the Share Option Scheme. Therefore, the number of Shares available for issue under the options granted under the Share Option Scheme divided by the weighted average number of Shares in issue during the Reporting Period was nil.

## SHARE AWARD SCHEME

The Company has not adopted any share award scheme.

## DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Interest in the Shares

Name of Directors/ Chief Executive	Capacity	Nature of Interests	Number of Shares	Approximate Percentage of the Issued Share Capital of the Company (%)
Mr. Tian Ye <sup>1</sup>	Interest in controlled corporations	Long position	91,415,057	33.98
Mr. He Shiwei <sup>2</sup>	Interest in controlled corporations	Long position	2,342,712	0.87

Notes:

1. Dashi Technology Holdings and True Thrive hold approximately 17.07% and 16.91% of the issued share capital of the Company, respectively. Pursuant to the Entrustment Arrangements under the Company Shareholder Rights Entrustment Agreement and the Chengdu Qilu Shareholder Rights Entrustment Agreement, True Thrive has entrusted its shareholder rights including its voting power at general meetings with respect to its shareholding in the Company to Dashi Technology Holdings. Dashi Technology Holdings is deemed to be interested in all the Shares and voting rights held by True Thrive. Dashi Technology Holdings is directly and wholly owned by Mr. Tian Ye who is therefore deemed to be interested in all the Shares held by Dashi Technology Holdings.

## OTHER INFORMATION

2. Hongmeng Investment holds 0.87% of the issued share capital of the Company. Hongmeng Investment is directly and wholly owned by Mr. He Shiwei. Mr. He Shiwei is therefore deemed to be interested in all the Shares held by Hongmeng Investment.

Save as disclosed above, as at 30 June 2024, neither the Directors nor chief executive of the Company (including their spouses and children under 18 years of age) had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, to the best knowledge of the Directors or chief executive of the Company, the substantial shareholders, other than the Directors or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name of Substantial Shareholders	Capacity	Nature of Interest	Number of Shares	Approximate Percentage of the Issued Share Capital of the Company (%)
Dashi Technology Holdings (Notes 1 and 3)	Beneficial owner	Long position	91,415,057	33.98
True Thrive (Notes 2 and 3)	Beneficial owner	Long position	45,496,082	16.91
360 Technology (Notes 2 and 3)	Interest in a controlled corporation	Long position	45,496,082	16.91
360 (Notes 2 and 3)	Interest in a controlled corporation	Long position	45,496,082	16.91
Qixin Zhicheng (Notes 2 and 3)	Interest in a controlled corporation	Long position	45,496,082	16.91
Zhou Hongyi (周鴻禕) (Notes 2 and 3)	Interest in a controlled corporation	Long position	45,496,082	16.91
Songchang International (Note 4)	Beneficial owner	Long position	47,282,819	17.58
Songyuan International (Note 4)	Interest in a controlled corporation	Long position	47,282,819	17.58
Shanghai Gaoxin (Note 4)	Interest in a controlled corporation	Long position	47,282,819	17.58
Dongfangwang Digital Technology (Note 4)	Interest in a controlled corporation	Long position	47,282,819	17.58
Shanghai Dongfangwang (Note 4)	Interest in a controlled corporation	Long position	47,282,819	17.58

## Notes:

1. Dashi Technology Holdings is directly and wholly owned by Mr. Tian Ye. Mr. Tian Ye is therefore deemed to be interested in all the Shares held by Dashi Technology Holdings.
2. True Thrive is wholly owned by 360 Technology, which is wholly owned by 360, which is ultimately held by Mr. Zhou Hongyi and Qixin Zhicheng. Each of 360 Technology, 360, Mr. Zhou Hongyi and Qixin Zhicheng is therefore deemed to be interested in all the Shares held by True Thrive.
3. Pursuant to the Entrustment Arrangements, True Thrive has entrusted its shareholder rights including its voting power at general meetings with respect to its shareholding in the Company to Dashi Technology Holdings. Dashi Technology Holdings is deemed to be interested in all the Shares and voting rights held by True Thrive.
4. Songchang International is directly and wholly owned by Songyuan International, which is in turn directly and wholly owned by Shanghai Gaoxin, which is in turn directly and wholly owned by Dongfangwang Digital Technology, which is in turn controlled by Shanghai Dongfangwang. Songyuan International, Shanghai Gaoxin, Dongfangwang Digital Technology and Shanghai Dongfangwang are therefore deemed to be interested in all the Shares held by Songchang International. Shanghai Dongfangwang is the controlling shareholder of Dongfangwang Digital Technology, and directly and through its subsidiary, Shanghai Dongfangwang Investment Company Limited\* (上海東方網投資有限公司), holds in aggregate approximately 34.3077% of Dongfangwang Digital Technology. Shanghai Dongfangwang is in turn controlled by State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會) of Shanghai.

Save as disclosed above, so far as known to the Directors, as at 30 June 2024, no other persons (other than the Directors or chief executive), had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

For the Six Months Ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	3	742,125	291,800
Costs of sales and services		(655,644)	(201,954)
Gross profit		86,481	89,846
Other income	4	3,337	5,329
Impairment losses under expected credit loss model, net of reversal		(195)	(1,805)
Other gains and losses	5	(3,294)	(1,563)
Selling and distribution expenses		(13,567)	(13,119)
Administrative expenses		(19,787)	(16,177)
Research and development expenses		(26,382)	(23,838)
Share of results of associates		(326)	(2,096)
Finance costs		(126)	(52)
Profit before taxation		26,141	36,525
Taxation	6	(4,257)	(5,135)
Profit and total comprehensive income for the period	7	21,884	31,390
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		20,228	28,573
Non-controlling interests		1,656	2,817
		21,884	31,390
Earnings per share			
Basic and diluted (in RMB cents)	9	7.52	10.62

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	8,543	8,306
Goodwill		989	989
Other intangible assets		2,408	2,605
Interests in associates	11	12,698	13,004
Financial assets at fair value through profit or loss ("FVTPL")	12	9,600	4,600
Deferred tax assets		14,025	14,973
Prepayments	14	14,873	14,873
		<b>63,136</b>	59,350
<b>Current assets</b>			
Trade receivables	13	234,007	78,203
Other receivables, deposits and prepayments	14	68,214	40,701
Inventories		566	133
Tax recoverable		1,247	1,247
Financial assets at FVTPL	12	–	50,000
Term deposits with initial terms of over three months		–	30,000
Cash and cash equivalents		427,685	503,852
		<b>731,719</b>	704,136
<b>Current liabilities</b>			
Trade and other payables	15	106,364	99,941
Contract liabilities		12,232	11,591
Lease liabilities		1,924	1,687
Income tax payable		6,002	3,895
		<b>126,522</b>	117,114
<b>Net current assets</b>		<b>605,197</b>	587,022
<b>Total assets less current liabilities</b>		<b>668,333</b>	646,372
<b>Capital and reserves</b>			
Share capital	16	2,425	2,425
Reserves		659,013	638,785
Equity attributable to owners of the Company		661,438	641,210
Non-controlling interests		3,928	2,272
<b>Total equity</b>		<b>665,366</b>	643,482
<b>Non-current liability</b>			
Lease liabilities		2,967	2,890
		<b>668,333</b>	646,372

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2024

	Attributable to owners of the Company							Total
	Share capital	Share premium	Statutory surplus reserve	Other reserve	Accumulated profits	Subtotal	Non-controlling interests	
	RMB'000	RMB'000	RMB'000 (Note (i))	RMB'000	RMB'000	RMB'000	RMB'000 (Note (ii))	RMB'000
At 1 January 2023 (audited)	2,425	159,482	26,720	(9)	409,950	598,568	2,563	601,131
Profit and total comprehensive income for the period	-	-	-	-	28,573	28,573	2,817	31,390
At 30 June 2023 (unaudited)	2,425	159,482	26,720	(9)	438,523	627,141	5,380	632,521
At 1 January 2024 (audited)	<b>2,425</b>	<b>159,482</b>	<b>31,285</b>	<b>(9)</b>	<b>448,027</b>	<b>641,210</b>	<b>2,272</b>	<b>643,482</b>
Profit and total comprehensive income for the period	-	-	-	-	20,228	20,228	1,656	21,884
At 30 June 2024 (unaudited)	<b>2,425</b>	<b>159,482</b>	<b>31,285</b>	<b>(9)</b>	<b>468,255</b>	<b>661,438</b>	<b>3,928</b>	<b>665,336</b>

Notes:

- (i) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.
- (ii) At 30 June 2024, the non-controlling interest is the equity interest in 天津六六遊科技有限公司(Tianjin Liu Liuyou Technology Co., Ltd.\*), held by a third party other than the Company.

\* English name for reference only.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>Net cash (used in) from operating activities</b>	<b>(146,300)</b>	20,146
<b>Investing activities</b>		
Purchase of property, plant and equipment	(460)	(498)
Purchase of financial assets at FVTPL	(272,000)	(125,000)
Withdrawal of financial assets at FVTPL	314,000	90,000
Interest received from financial assets at FVTPL	358	594
Interest received from term deposits with initial terms of over three months	413	-
Payment for rental deposits	(159)	(37)
Payment for acquisition of an associate	-	(11,000)
Investment in an associate	(20)	-
Placement of term deposits with initial terms of over three months	-	(30,000)
Withdrawal of term deposits with initial terms of over three months	30,000	-
Net cash inflow on acquisition of a subsidiary	-	1,519
Prepayment for game development and license	-	(1,500)
<b>Net cash from (used in) investing activities</b>	<b>72,132</b>	(75,922)
<b>Financing activities</b>		
Dividends paid to a non-controlling interest shareholder	-	(4,570)
Repayments of lease liabilities	(1,612)	(1,524)
Interest paid	(126)	(52)
<b>Net Cash used in financing activities</b>	<b>(1,738)</b>	(6,146)
<b>Net decrease in cash and cash equivalents</b>	<b>(75,906)</b>	(61,922)
<b>Cash and cash equivalents at beginning of the period</b>	<b>503,852</b>	532,902
<b>Effect of foreign exchange rate changes</b>	<b>(261)</b>	560
<b>Cash and cash equivalents at end of the period, represented by bank balances and cash</b>	<b>427,685</b>	471,540



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

## 1. BASIS OF PREPARATION

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 Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), 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 Group’s annual consolidated financial statements 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 periods beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 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 these condensed consolidated financial statements.

## 3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of online advertising services, online game platforms, operation of exclusive licensed online game business and smart accessories sales in the PRC.

For the Six Months Ended 30 June 2024

**3. REVENUE AND SEGMENT INFORMATION (CONTINUED)**

Revenue represents services and sales income comprising the business mentioned above.

**Segment information**

The Group's chief operating decision maker has been identified as chief executive officer who reviews revenue analysis by business lines when making decisions about allocating resources and assessing performance of the Group.

As there is no other discrete financial information available for assessment of performance of different business lines, only entity-wide disclosures and geographic information are presented.

The revenue attributable to the Group's business lines are as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <i>(unaudited)</i>	2023 <i>RMB'000</i> <i>(unaudited)</i>
Online traffic monetisation		
– Online advertising services	<b>279,782</b>	102,196
– Online game platforms	<b>16,988</b>	65,121
– Operation of exclusive licensed online game business	<b>445,343</b>	124,255
Electronic devices sales		
– Smart accessories sales	<b>12</b>	228
<b>Total</b>	<b>742,125</b>	291,800

**Geographical information**

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <i>(unaudited)</i>	2023 <i>RMB'000</i> <i>(unaudited)</i>
PRC	<b>713,439</b>	260,074
Overseas	<b>28,686</b>	31,726
<b>Total</b>	<b>742,125</b>	291,800

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Timing of revenue recognition

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
A point in time	287,755	98,365
Over time	454,370	193,435
Total	742,125	291,800

### 4. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Government grants	94	482
Interest income		
- bank deposits	2,885	4,253
- financial assets at FVTPL	358	594
	3,337	5,329

### 5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Loss from changes in fair value of financial assets at FVTPL	(3,000)	(1,424)
Gain on derecognition of interest in an associate	-	119
Net foreign exchange (losses) gains	(215)	690
Provision for compensation	(200)	(800)
Others	121	(148)
	(3,294)	(1,563)

For the Six Months Ended 30 June 2024

## 6. TAXATION

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Tax expense comprises:		
Current tax		
– PRC Enterprise Income Tax	3,309	4,763
– Hong Kong	–	303
– Singapore	–	659
Deferred tax	948	(590)
Total	4,257	5,135

## 7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Directors' and chief executive's remuneration	2,605	2,533
Other staff costs		
– Salaries and other benefits	37,047	32,650
– Retirement benefit scheme contributions	2,349	2,408
Total staff costs	42,001	37,591
Depreciation of property, plant and equipment including right-of-use assets (included in "administrative expenses, selling and distribution expenses and research and development expenses")	2,128	2,721
Amortisation of intangible assets (included in "costs of sales and services, administrative expenses and research and development expenses")	197	197
Total depreciation and amortisation	2,325	2,918
Cost of inventories sold	108	65

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 8. DIVIDENDS

No dividends were paid or proposed during the six months ended 30 June 2024 and 2023. The directors of the Company have determined that no dividend will be paid in respect of the interim period (for the six months ended 30 June 2023: Nil).

### 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>Earnings</b>		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	20,228	28,573

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	269,000	269,000

No diluted earnings per share for both periods was presented as there was no potential ordinary shares in issue for both periods.

For the Six Months Ended 30 June 2024

## 10. PROPERTY, PLANT AND EQUIPMENT INCLUDING RIGHT-OF-USE ASSETS

During the current interim period, the Group incurred approximately RMB229,000 (six months ended 30 June 2023: Nil) for expenditure on a new vehicle, approximately RMB231,000 (six months ended 30 June 2023: RMB360,000) for expenditure on new electronic equipment, no expenditure on decoration cost of new office premise (six months ended 30 June 2023: RMB112,000) and no expenditure on new furniture and fixtures and equipment (six months ended 30 June 2023: RMB26,000).

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 2 to 3 years (six months ended 30 June 2023: Nil). On date of lease commencement, the Group recognised right-of-use assets of RMB1,926,000 (six months ended 30 June 2023: Nil) and lease liabilities of RMB1,926,000 (six months ended 30 June 2023: Nil). The Group is required to make fixed monthly payments during the contract period.

## 11. INTERESTS IN ASSOCIATES

	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
Cost of investment in associates	<b>33,070</b>	33,050
Share of post-acquisition losses and other comprehensive expenses	<b>(6,128)</b>	(5,802)
Impairment loss recognised	<b>(14,244)</b>	(14,244)
	<b>12,698</b>	13,004

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 11. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the Group's associates at the end of the reporting period are as follows:

Name of entities	Country of registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the group		Principal activities	Investment costs	
			six months ended 30 June 2024	year ended 31 December 2023	six months ended 30 June 2024	year ended 31 December 2023		six months ended 30 June 2024 RMB'000 (unaudited)	year ended 31 December 2023 RMB'000 (audited)
Beijing Sihai Chuangwei Technology Co., Ltd.* (北京四海創為科技有限公司) ("Sihai Chuangwei")	PRC	PRC	20%	20%	20%	20%	Online advertising	8,800	8,800
Shanghai Kaizhan Information Technology Co., Ltd.* (上海凱戰網絡科技有限公司)	PRC	PRC	8%	8%	33%	33%	Live streaming service	8,000	8,000
Tianjin Youbenzhiqian Technology Co., Ltd.* (天津有本之泉科技有限公司)	PRC	PRC	40%	40%	40%	40%	Technical service	500	500
Chengdu Yunyou Tianxia Technology Co., Ltd.* (成都雲游天下科技有限公司) ("Chengdu Yunyou")	PRC	PRC	15%	15%	15%	15%	Online game business	9,750	9,750
Hangzhou Jingqiqu Network Technology Co., Ltd.* (杭州競其趣網絡科技有限公司) ("Hangzhou Jingqiqu")	PRC	PRC	15%	15%	15%	15%	Gaming hotel reservation management	6,000	6,000
Chengdu Lijiaer Technology Co., Ltd.* (成都利加爾科技有限公司)	PRC	PRC	15%	Nil	15%	Nil	Technical service	20	-
								33,070	33,050

\* English name for reference only.

For the Six Months Ended 30 June 2024

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Financial assets designated at FVTPL:

	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
Unlisted equity investments:		
- Chengdu Jingtanhao Technology Co., Ltd.* (成都驚歎號科技有限公司)	1,600	1,600
- Sichuan Be-Reborn Network Co., Ltd.* (四川比瑞波恩網絡有限公司)	-	3,000
- Tianjin Gaoxing Yuanhang Management Consulting Centre (Limited Partnership)* (天津高行遠航管理諮詢中心(有限合夥)) ("Gaoxing Yuanhang") (Note (i))	8,000	-
	<b>9,600</b>	4,600
Structured bank deposits (Note (ii))	-	50,000
	<b>9,600</b>	54,600
Analysed for reporting purposes as:		
- Non-current assets	9,600	4,600
- Current assets	-	50,000
	<b>9,600</b>	54,600

Notes:

- (i) During the six months ended 30 June 2024, the Group acquired 2.2% limited partnership interest in Gaoxing Yuanhang at a consideration of RMB8,000,000.
- (ii) During the six months ended 30 June 2024 and the year ended 31 December 2023, the Group entered into structured bank deposits agreements with banks in the PRC. The banks guaranteed 100% of the invested principal amount and floating interest rate of 1.85% to 2.86% per annum (2023: 1.85% to 3.00%) with maturity periods ranging from 14 days to 21 days (2023: 90 days to 96 days) as specified in the agreement.

\* English name for reference only.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 13. TRADE RECEIVABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade receivables		
– related parties	8,843	11,687
– third parties	232,587	73,694
Less: allowance for credit losses	(7,423)	(7,178)
	<b>234,007</b>	78,203

Details of amounts due from related parties included in trade receivables are as follows:

Related parties	Relationship	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
360 Technology Group Co., Ltd.* (三六零科技集團有限公司) ("360 Technology")	The holding company of the shareholder of the Company	1	4,209
Beijing Qiyuan Technology Co., Ltd.* (北京奇元科技有限公司) ("Beijing Qiyuan")	Subsidiary of shareholder of 360 Technology	3,553	–
Beijing Qifutong Technology Co., Ltd.* (北京奇付通科技有限公司) ("Beijing Qifutong")	360 Technology's subsidiary	–	39
Beijing Star World Technology Co., Ltd.* (北京世界星輝科技有限責任 公司) ("Beijing Star World")	Subsidiary of shareholder of 360 Technology	5,281	7,431
Sihai chuangwei	Associate of the Group	8	8
Total		<b>8,843</b>	11,687

\* English name for reference only.

For the Six Months Ended 30 June 2024

**13. TRADE RECEIVABLES (CONTINUED)**

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the dates of delivery of goods/dates of rendering of services.

	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
0 – 90 days	<b>142,679</b>	69,020
91 – 180 days	<b>90,901</b>	7,091
Over 180 days	<b>427</b>	2,092
	<b>234,007</b>	78,203

The Group performs impairment assessment in respect of trade receivables under expected credit loss model. The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

**14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
Included in non-current assets:		
Prepayment for game development and license	<b>14,873</b>	14,873
Included in current assets:		
Other receivables	<b>14,148</b>	14,400
Less: allowance for credit losses	<b>(6,851)</b>	(7,051)
Deductible value-added tax	<b>5,638</b>	4,669
Prepayments and deferred expenses	<b>47,241</b>	22,614
Online payment platforms (Note)	<b>8,014</b>	5,627
Interest receivables	<b>24</b>	442
	<b>68,214</b>	40,701
Total	<b>83,087</b>	55,574

Note: The amount is unsecured, interest-free and repayable on demand and it represents receivables from third party payment platforms in respect of the Group's online advertising services and online game platforms.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 15. TRADE AND OTHER PAYABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade payables		
– related parties	7	16
– third parties	87,014	68,764
Other payables	5,498	7,106
Payables arisen from online game platforms business (Note)	1,736	2,090
Payroll payable	10,685	19,595
Other tax payable	1,424	2,370
	<b>106,364</b>	<b>99,941</b>

Note: The amounts are unsecured, interest-free and repayable on a monthly basis and represents payables to online game developers and operators for prepayments collected by the Group from third party game players.

Details of amounts due to related parties included in trade payables are as follows:

Related party	Relationship	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Beijing Qihu Technology Co., Ltd.* (北京奇虎科技有限公司) (“Beijing Qihu”)	Subsidiary of shareholder of 360 Technology	7	16

\* English name for reference only.

For the Six Months Ended 30 June 2024

**15. TRADE AND OTHER PAYABLES (CONTINUED)**

The credit period granted by trade creditors is normally within three months. The following is an aged analysis of trade payables presented based on the dates of delivery of goods/dates of rendering of services:

	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
0 – 90 days	<b>53,308</b>	55,858
91 – 180 days	<b>31,244</b>	12,267
Over 180 days	<b>2,469</b>	655
<b>Total</b>	<b>87,021</b>	68,780

**16. SHARE CAPITAL**

	<b>Number of shares</b>	<b>Share Capital</b>	
		<i>HK\$000</i>	<i>RMB'000</i>
Ordinary shares of HK\$0.01 each Authorised:			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	10,000,000,000	100,000	90,321
Issued and fully paid			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	269,000,000	2,690	2,425

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 17. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties:

#### i Transactions with related parties

Related parties	Relationship	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue from 360 Technology	The holding company of the shareholder of the Company	4	6,763
Revenue to Beijing Qiyuan	Subsidiary of shareholder of 360 Technology	15,636	-
Revenue from Beijing Star World	Subsidiary of shareholder of 360 Technology	437	1,396
Revenue from Tianjin Qiyu Information Technology Co., Ltd.* (天津旗魚網絡科技有限公司) ("Tianjin Qiyu")	Associate of the Group**	N/A	42,720
Revenue from Beijing Qifutong	360 Technology's subsidiary	359	91
Cost to Beijing Star World	The holding company of the shareholder of the Company	34,402	12,254
Cost to Beijing Qihu	Subsidiary of shareholder of 360 Technology	20	33
Cost to Quyou Time	Beijing Star World's subsidiary	-	4,103
Cost to Beijing Qiyuan	Subsidiary of shareholder of 360 Technology	189	189
Cost to Dongfangwang Digital Technology	Shareholder of the Company	-	39
Cost to Beijing 360 Zhiling Technology Co., Ltd.* (北京三六零智領科技有限公司)	Subsidiary of shareholder of 360 Technology	315	-

\* English name for reference only.

\*\* Tianjin Qiyu has been a subsidiary of the Group since May 2023.

For the Six Months Ended 30 June 2024

**17. RELATED PARTY TRANSACTIONS (CONTINUED)****ii Compensation of key management personnel**

The remuneration of directors and other members of key management of the Group were as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <i>(unaudited)</i>	2023 <i>RMB'000</i> <i>(unaudited)</i>
Salaries and allowances	<b>2,562</b>	2,489
Retirement benefit scheme contributions	<b>43</b>	44
	<b>2,605</b>	2,533

**18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2024

### 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value as at	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship unobservable inputs to fair value
Unlisted equity investment classified at financial assets at FVTPL	30 June 2024 - RMB3,000,000 31 December 2023 - RMB3,000,000	Level 2	Market multiple approach key input: enterprise value to sales multiple.	N/A	N/A
Unlisted equity investment classified at financial assets at FVTPL	30 June 2024 - RMB1,600,000 31 December 2023 - RMB1,600,000	Level 3	Market multiple approach based on the recent transaction price	Multiples used in the recent transaction price	The higher the multiples used in the recent transaction price, the higher the fair value; the lower the multiples used in the recent transaction price, the lower the fair value
Unlisted equity investment classified at financial assets at FVTPL	30 June 2024 - RMB8,000,000 31 December 2023 - Nil	Level 3	Market multiple approach based on the recent transaction price	Multiples used in the recent transaction price	The higher the multiples used in the recent transaction price, the higher the fair value; the lower the multiples used in the recent transaction price, the lower the fair value
Structured bank deposits	30 June 2024 - Nil 31 December 2023 - RMB50,000,000	Level 3	Discount cash flow models	Discount rate/ estimated return	The higher the discount rate, the lower the fair value; the lower the estimated return, the lower the fair value

The management of the Group considers that the carrying amounts of other financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate to their fair values. The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

### 19. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 30 June 2024 and up to the date of approval of these condensed consolidated financial statements.

## DEFINITION AND GLOSSARY

“360”	360 Security Technology Inc. (三六零安全科技股份有限公司) (formerly known as Jiangnan Jiajie Elevator Stock Company Limited* (江南嘉捷电梯股份有限公司)), a joint stock company with limited liability incorporated in the PRC and ultimately controlled by Mr. Zhou Hongyi, one of our substantial shareholders, whose shares are listed and traded on the Shanghai Stock Exchange (上海證券交易所) (stock code: 601360.SH), and one of our substantial shareholders
“360 Technology”	360 Technology Group Co., Ltd.* (三六零科技集團有限公司) (formerly known as Tianjin Qisi Technology Company Limited* (天津奇思科技有限公司), 360 Technology Inc.* (三六零科技股份有限公司) and 360 Technology Co., Ltd.* (三六零科技有限公司)), a limited liability company established in the PRC on 15 September 2011 and directly wholly owned by 360, one of our substantial shareholders, and one of our substantial shareholders
“Anyixun Technology” or “WFOE”	Chengdu Anyixun Technology Company Limited* (成都安易迅科技有限公司), a limited liability company established in the PRC on 20 October 2015 and a wholly-owned subsidiary of the Group
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chengdu Qilu”	Chengdu Qilu Technology Company Limited* (成都奇魯科技有限公司), a limited liability company established in the PRC on 25 November 2014 and is deemed to be a wholly-owned subsidiary of the Company pursuant to the Contractual Arrangements
“Chengdu Qilu Shareholder Rights Entrustment Agreement”	the agreement dated 15 January 2018 and taking effect from 29 December 2016 among Mr. Tian Ye, Qihu Technology and Chengdu Qilu, pursuant to which Mr. Tian Ye is entrusted by Qihu Technology to exercise all of Qihu Technology’s rights as a shareholder of Chengdu Qilu (including but not limited to Qihu Technology’s voting power at general meetings of Chengdu Qilu)



## DEFINITION AND GLOSSARY

“China” or the “PRC”	the People’s Republic of China, for the purpose of this report only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“China Merchants Bank”	China Merchants Bank Co., Ltd., a joint stock company established in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600036) and the Main Board of the Stock Exchange (stock code: 3968)
“Company”	360 LUDASHI HOLDINGS LIMITED (360魯大師控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3601)
“Company Shareholder Rights Entrustment Agreement”	the agreement dated and taking effect on 4 September 2018 between Dashi Technology Holdings and True Thrive, pursuant to which Dashi Technology Holdings is entrusted by True Thrive to exercise all of True Thrive’s rights as a Shareholder (including but not limited to True Thrive’s voting power at general meetings of the Company)
“Contractual Arrangements”	a series of contractual arrangements entered into among WFOE, Chengdu Qilu and the Relevant Shareholders, details of which are described in “Contractual Arrangements” in the Prospectus
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, for the purpose of the Listing Rules, refers to Mr. Tian Ye and Dashi Technology Holdings
“Dashi Technology Holdings”	Dashi Technology Holdings Limited (大師控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 31 January 2018 and directly wholly owned by Mr. Tian Ye, one of our controlling shareholders

“Dongfangwang Digital Technology”	Shanghai Dongfangwang Digital Technology Company Limited* (上海東方網數字科技股份有限公司) (formerly known as Shanghai Songheng Network Technology Company Limited* (上海嵩恒網絡科技股份有限公司)), which completed its name change on 30 April 2024, a limited liability company established in the PRC on 18 March 2014 and owned by Independent Third Parties, and one of the Relevant Shareholders and a substantial shareholder of the Company
“Director(s)”	director(s) of the Company
“Entrustment Arrangements”	the entrustment arrangements under the Company Shareholder Rights Entrustment Agreement and the Chengdu Qilu Shareholder Rights Entrustment Agreement in relation to the shareholder rights of True Thrive in the Company in favor of Dashi Technology Holdings and the shareholder rights of Qihu Technology in Chengdu Qilu in favor of Mr. Tian Ye, respectively, details of which are set out in the section headed “History, Reorganization and Corporate Structure – Entrustment Arrangements” in the Prospectus
“Group”, “we”, “us” and “our”, “Ludashi” or “360 Ludashi”	the Company, its subsidiaries and the PRC Operating Entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongmeng Investment”	Hongmeng Investment Co. Ltd (鴻蒙投資有限公司), a limited liability company incorporated in the British Virgin Islands on 16 March 2018 and directly wholly owned by Mr. He Shiwei, a Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKAs”	Hong Kong Accounting Standards
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITION AND GLOSSARY

“Liu Liuyou Technology”	Tianjin Liu Liuyou Technology Company Limited* (天津六六遊科技有限公司), a limited liability company established in the PRC on 17 April 2017
“Ludashi Software”	hardware and system benchmarking and monitoring software and App
“MAU(s)”	monthly active user(s), a key performance indicator for software, Apps and online games. Monthly active users are calculated by counting the number of unique devices that activate the software, Apps or online games for at least once during a calendar month
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“PC(s)”	Personal computers
“PRC Operating Entities”	collectively, Chengdu Qilu and its subsidiaries (and “PRC Operating Entity” means any one of them), the financial results of which have been consolidated and accounted for as the subsidiaries of the Company by virtue of the Contractual Arrangements
“Prospectus”	the prospectus of the Company dated 26 September 2019
“Qihu Technology”	Beijing Qihu Technology Company Limited* (北京奇虎科技有限公司), a limited liability company incorporated in the PRC on 13 August 2007, one of the Relevant Shareholders and directly wholly owned by 360 Technology, one of our substantial shareholders
“Qilu Haochen”	Chengdu Qilu Haochen Enterprise Management Consulting Company Limited* (成都奇魯昊宸企業管理諮詢有限公司), a limited liability company incorporated in the PRC on 7 February 2018, and one of the Relevant Shareholders, wholly owned by independent third parties

“Qixin Zhicheng”	Tianjin Qixin Zhicheng Technology Company Limited* (天津奇信志成科技有限公司), a limited liability company established in the PRC on 2 December 2015 and one of our substantial shareholders, ultimately controlled by Mr. Zhou Hongyi, one of our substantial shareholders for the purpose of the Listing Rules
“Relevant Shareholder(s)”	Qihu Technology, Mr. Tian Ye, Dongfangwang Digital Technology and Qilu Haochen, being the registered shareholders of Chengdu Qilu
“Reporting Period”	the six months ended 30 June 2024
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Dongfangwang”	Shanghai Dongfangwang Stock Company Limited* (上海東方網股份有限公司), a limited liability company established in the PRC on 5 July 2000
“Shanghai Gaoxin”	Shanghai Gaoxin Computer System Company Limited* (上海高欣計算機系統有限公司), a limited liability company established in the PRC on 4 January 2013 and wholly owned by Dongfangwang Digital Technology, one of our Relevant Shareholders and a substantial shareholder of the Company
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 9 September 2019, a summary of the principal terms and conditions of which are set forth in “Appendix IV – Statutory and General Information – D. Share Option Scheme” in the Prospectus
“Shareholder(s)”	holder(s) of the Share(s)

## DEFINITION AND GLOSSARY

“Songchang International”

Songchang International Limited, a limited liability company incorporated in the British Virgin Islands on 9 May 2018, wholly owned by Songyuan International, a substantial shareholder of the Company, and a substantial shareholder of the Company

“Songyuan International”

Hong Kong Songyuan International Limited (香港嵩遠國際有限公司), a limited liability company incorporated in Hong Kong on 1 December 2017, indirectly wholly owned by Dongfangwang Digital Technology, one of the Relevant Shareholders and a substantial shareholder of the Company, and a substantial shareholder of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“True Thrive”

True Thrive Limited (誠盛有限公司), a limited liability company incorporated in the Cayman Islands on 12 October 2015, wholly owned by 360 Technology, one of our substantial shareholders, and one of our substantial shareholders

“%”

per cent

\* *For identification purpose only*