



# 2024

## INTERIM REPORT



**FINGER  
TANGO**

**FingerTango Inc.**  
**指尖悅動控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6860



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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. LIU Jie (劉傑) (Chairman and Chief Executive Officer)

Dr. CHAN Man Fung (陳文鋒)

### Independent Non-executive Directors

Mr. CHOW Wing Yiu (周永堯)

Mr. JIANG Huihui (江輝輝)

Mr. SHIN Ho Chuen (單浩銓)

## AUDIT COMMITTEE

Mr. CHOW Wing Yiu (周永堯) (*Chairperson*)

Mr. JIANG Huihui (江輝輝)

Mr. SHIN Ho Chuen (單浩銓)

## REMUNERATION COMMITTEE

Mr. JIANG Huihui (江輝輝) (*Chairperson*)

Dr. CHAN Man Fung (陳文鋒)

Mr. SHIN Ho Chuen (單浩銓)

## NOMINATION COMMITTEE

Mr. LIU Jie (劉傑) (*Chairperson*)

Mr. JIANG Huihui (江輝輝)

Mr. SHIN Ho Chuen (單浩銓)

## AUTHORIZED REPRESENTATIVES

Dr. CHAN Man Fung (陳文鋒)

Ms. CHIK Wai Chun (戚偉珍)

## COMPANY SECRETARIES

Ms. CHIK Wai Chun (戚偉珍)

## AUDITOR

### CWK CPA Limited

21/F, Cosco Tower

No. 183 Queen's Road Central

Hong Kong

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEADQUARTERS

Building 5, Zone A, Huaxin Kechuang Island

No. 248 Qiaotou Street

Haizhu District

Guangzhou

PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1602, 16/F., Park Commercial Centre

180 Tung Lo Wan Road

Causeway Bay

Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

### Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HONG KONG SHARE REGISTRAR

**Computershare Hong Kong Investor Services limited**

Shops 1712–1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## PRINCIPAL BANK

**China Merchants Bank Co. Ltd.**

Guangzhou Gaoxin Branch  
1 Huajing Road, Zhongshan Avenue  
Guangzhou  
PRC

## COMPANY WEBSITE

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

## STOCK CODE

6860

## LISTING DATE

12 July 2018

# Management Discussion and Analysis

## MARKET OVERVIEW

According to the China Gaming Industry Report for January-June 2024 (《2024年1-6月中國遊戲產業報告》) issued by the Game Publishers Association Publications Committee (GPC) of the China Audio-video and Digital Publishing Association (中國音數協遊戲工委) and China Game Industry Research Institute (中國遊戲產業研究院), China's game industry saw a rebound from pressure, with a remarkable upward trend for market revenue amid the sluggish global game industry. In the first half of 2024, the actual sales revenue from China's gaming market was Renminbi ("RMB") 147.27 billion, representing a year-on-year increase of 2.1%. The actual sales revenue from China's mobile games market was RMB107.52 billion, representing a year-on-year increase of 0.8%. The actual sales revenue of mobile game accounted for 73.0% of that of the whole gaming market in China, still being dominant despite a slight decrease.

In the first half of 2024, revenue of independently developed games generated from overseas markets was US\$8.55 billion, representing a year-on-year increase of approximately 4.2%, mainly due to the significant growth contributed by hit games among certain newly launched products.

In the first half of 2024, the number of gamers in China reached 670 million, representing a year-on-year increase of 0.9% and a new high. The regulatory authorities continued to take strict management measures on the protection of minors and the anti-addiction work of online games, which promoted the standardized management of the game industry, effectively improved the problem of excessive gaming among minors and made the user structure more healthy and reasonable.

In the first half of 2024, there are 688 games with publication license approved by the National Press and Publication Administration (NPPA). The number of approvals for games with publication license was gradually normalized with a steady increase.

## BUSINESS REVIEW

During the Reporting Period, the Group recorded total revenue of approximately RMB328.3 million, an increase of approximately 5.0% as compared to the corresponding period last year. Increase in revenue was mainly attributable to the combined effect of (i) successful advertising and promotion outcome of certain games, resulting in significant increase in revenue from such games during the Reporting Period; and (ii) total revenue during the Reporting Period was partially offset by a natural drop of revenue from the classic games which have been in operation for years and are in their mature stage.

## Management Discussion and Analysis

During the Reporting Period, the profit attributable to owners of the Company recorded approximately RMB9.2 million, as compared to a loss of approximately RMB21.0 million in the corresponding period last year. The change was primarily to the combined effect of (i) a growth in gross profit; (ii) decrease in administrative expenses resulting from reversal of provision for expected credit losses (“ECL”) of notes and other receivables; and (iii) a decrease in research and development expenses.

In view of the market conditions, we have made strategic adjustment and planning in the launch of our new games, and have been conducting comprehensive tests for the new titles launched during the Reporting Period. Deep optimization customizing to the players’ evolving preferences was also conducted to ensure their sound performance upon official launch. On the other hand, new titles launched during the Reporting Period are still in the promotion period and the stage of incubation of player base. It is expected the growth momentum of the new games and their contribution to the revenue of the Company would be gradually unleashed in the second half of 2024 and after.

In response to the increasing unit cost and uncertain outcome of advertising and promotion activities, we have adapted and re-positioned to refine our game operations, and sought out innovative promotion channels.

During the Reporting Period, we have seen increased user stickiness as the monthly active users (MAUs) reached 5.1 million, representing a growth of 75.9% as compared to the corresponding period last year. As at 30 June 2024, the total number of accumulative registered users maintained a steady growth and reached 255.1 million, representing a growth by 18.4% as compared to the corresponding period last year. The enormous user base enables us to better understand player preferences and market changes through strong data analytics ability, so as to launch new games with higher popularity in the market, and to conduct targeted marketing with more cost-effective strategies.

### OUTLOOK FOR THE SECOND HALF OF 2024

The current approval policy of online game publication and increasingly strict license censorship for games launched in China will result in a more regulated game industry. Specifically, the limitation on approval has driven game developers and operators to be more innovative, producing more premium products. Due to the lagging effect of the new policy, it will take a certain time for the industry to adjust their strategies and operations before the growth impetus is in full play in future.

Adherence to and focus on long lifecycle products, the concept of continuous operation with long-term flow, and constant offer of new gameplay to extend product lifecycle — these are our initial intention and our advantage and development strategy. In the face of a complex and changing market environment, we will always insist on developing products with the first-class technology, optimizing game in full dimension, and extending the lifecycle of our games with the continuous enriched and enhanced player experience, thereby improving the ability to monetization and continuing to generate stable revenue for the Company.

## Management Discussion and Analysis

We are conducting comprehensive tests for the new titles to be launched in the second half of 2024 while optimizing product launch strategies and plans. Over the years, we have accumulated an immense user database. We will continue to leverage our big data analytics ability with our proprietary multi-dimensional data analysis engine which collates and structures our data in a variety of ways for ad-hoc analysis, real-time on-line analysis. Moreover, we will enhance gameplay strategies, characters, scenes, technical depth, and other parameters and improve cross-promotion efficacy by analyzing player demographic, gameplay preference, gaming time, level-up, in-game purchase amount and user turnover rate, etc. These initiatives are being performed to ensure sound performance after the official launch.

In the past six months, the Company was striving for the sustainable development of business and actively laying a foundation for healthy growth in the future despite the challenges. Looking ahead, we will continue to extend our existing game portfolio and broaden our game category while focusing on the simulation games (“**SLG**”) game segment. We will implement the concept of “Premium Game” and strive to create high-quality games. While adhering to the original aspirations with commitment, ambition and perseverance, we will also continue to stride forward against adversity, be so deeply versed and accumulated as to be able to present it with ease, and through which we aspire to turn to a new chapter in the Group’s development.

## FINANCIAL PERFORMANCE

### Revenue

During the Reporting Period, the Group recorded total revenue of approximately RMB328.3 million, an increase of approximately 5.0% as compared to the corresponding period last year. Increase in revenue was mainly attributable to the combined effect of (i) successful advertising and promotion outcome of certain games, resulting in significant increase in revenue from such games during the Reporting Period; and (ii) total revenue during the Reporting Period was partially offset by a natural drop of revenue from the classic games which have been in operation for years and are in their mature stage.

With respect to revenue categorized by method of publication, self-publishing revenue was approximately RMB191.7 million, representing approximately 58.4% of the total revenue as compared to approximately 47.0% in the corresponding period last year. Co-publishing revenue recorded approximately RMB136.6 million, representing approximately 41.6% of the total revenue, as compared to approximately 53.0% in the corresponding period last year.

## Cost of Revenue

The cost of revenue in the Reporting Period was approximately RMB122.1 million and decreased by approximately 11.4% or approximately RMB15.8 million as compared to the corresponding period last year. It was mainly due to the decrease in platform sharing charges and commissions charged by game developers.

## Gross Profit and Gross Profit Margin

During the Reporting Period, gross profit was approximately RMB206.2 million, as compared to approximately RMB174.8 million in the corresponding period last year. Gross profit margin increased from approximately 55.9% to approximately 62.8% as compared to the corresponding period last year, since the revenue increased while cost of revenue decreased.

## Selling and Marketing Expenses

The selling expenses in the Reporting Period were approximately RMB151.6 million, increased by approximately 4.8% or approximately RMB6.9 million as compared to the corresponding period last year. It constituted approximately 46.2% of the total revenue, comparing to approximately 46.3% in the corresponding period last year. The increase was primarily due to increase in advertising and promotion activities which in line with increase in revenue.

## Administrative Expenses

The administrative expenses of the Group in the Reporting Period were approximately RMB15.0 million, as compared to approximately RMB17.5 million in the corresponding period last year. The change was primarily due to reversal of provision for ECL of notes and other receivables and decrease in bad debt loss.

## Research and Development Expenses

The research and development expenses of the Group in the Reporting Period were approximately RMB35.6 million, decreased by approximately 10.9% or approximately RMB4.4 million as compared to the corresponding period last year. The change was primarily attributable to the decrease in employee benefit costs.

## Other Income

During the Reporting Period, other income was increased from approximately RMB5.9 million in the corresponding period last year to approximately RMB14.4 million for the Reporting Period. The increase of other income was contributed by the interest received of repayment of other receivables and increased bank interest income from time deposits.



# Management Discussion and Analysis

## Other (Losses)/Gains, net

During the Reporting Period, net other losses were approximately RMB5.2 million, as compared to gains of approximately RMB1.7 million in the corresponding period last year, primarily attributable to fair value changes on investments at fair value through profit or loss during the reporting period.

## Income Tax Expense

The Group recorded an income tax expense of approximately RMB3.5 million for the Reporting Period as compared to approximately RMB0.6 million for the corresponding period last year. It was a consequent result of increased taxable income.

## Profit/(Loss) for the Reporting Period

During the Reporting Period, the profit attributable to owners of the Company recorded approximately RMB9.2 million, as compared to a loss of approximately RMB21.0 million in the corresponding period last year. The change was primarily attributable to the combined effect of (i) a growth in gross profit; (ii) decrease in administrative expenses resulting from reversal of provision for ECL of notes and other receivables; and (iii) a decrease in research and development expenses.

## Prepayments and Deposits

The prepayments and deposits in current assets increased from approximately RMB25.1 million for the year ended 31 December 2023 to approximately RMB43.0 million for the six months ended 30 June 2024. This increase is primarily due to deposits made for acquiring five mobile games. The Group continues to seek promising game projects to enhance its game portfolio. Following acquisition, the Group's experienced team will undertake creative adaptations and optimizations to improve game performance and commercialization potential. The Group expects these upgraded games can be marketed to generate additional revenue opportunities for the Group.

## Liquidity and Source of Funding and Borrowing

As at 30 June 2024, current assets of the Group amounted to approximately RMB801.5 million, including bank and cash balances of approximately RMB516.4 million and other current assets of approximately RMB285.1 million. Current liabilities of the Group amounted to approximately RMB186.0 million, including trade payables and contract liabilities of approximately RMB107.1 million and other current liabilities of approximately RMB78.9 million. As at 30 June 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 4.3, as compared with 3.9 as at 31 December 2023.

## Management Discussion and Analysis

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations as at 30 June 2024 and the resulting gearing ratio is nil. The Group intends to finance the expansion, investments and business operations with internal resources.

### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2024, investments at fair value through profit or loss were approximately RMB243.5 million. Details of investments at fair value through profit or loss for the Reporting Period are shown as below:

	Fair value as at 31 December 2023 RMB million (Audited)	Increases for the 6 months ended 30 June 2024 RMB million (Unaudited)	Changes in fair value for the 6 months ended 30 June 2024 RMB million (Unaudited)	Settlements for the 6 months ended 30 June 2024 RMB million (Unaudited)	Currency translation difference for the 6 months ended 30 June 2024 RMB million (Unaudited)	Fair value as at 30 June 2024 RMB million (Unaudited)
<b>Investments at fair value through profit or loss</b>						
Listed equity securities in Hong Kong	23.1	—	(7.0)	(9.5)	0.1	6.7
Wealth management product:						
Central China Dragon Growth Fund SP7 (中州龍騰增長七號基金)	75.6	—	—	—	0.4	76.0
Private equity investment fund Boniu Yuedong (博牛悅動專享私募證券 投資基金)	40.0	—	0.8	—	—	40.8
Non-capital protected wealth management products (非保本理財產品)						
Placed on:						
Shanghai Pudong Development Bank Co., Ltd.	30.0	60.0	—	(60.0)	—	30.0
Industrial Bank Co. Ltd.	30.0	60.0	—	(60.0)	—	30.0
China Guangfa Bank Co. Ltd.	30.0	60.0	—	(60.0)	—	30.0
BOCOM Wealth Management Co., Ltd.	30.0	30.0	—	(30.0)	—	30.0
<b>Total</b>	<b>258.7</b>	<b>210.0</b>	<b>(6.2)</b>	<b>(219.5)</b>	<b>0.5</b>	<b>243.5</b>

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Notes	(Unaudited) Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	5	328,290	312,622
Cost of revenue		(122,105)	(137,871)
<b>Gross profit</b>		206,185	174,751
Selling and marketing expenses		(151,571)	(144,658)
Administrative expenses		(15,039)	(17,453)
Research and development expenses		(35,641)	(40,018)
Other income	6	14,392	5,881
Other (losses)/gains, net	6	(5,156)	1,682
<b>Operating profit/(loss)</b>		13,170	(19,815)
Lease interests		(476)	(598)
<b>Profit/(loss) before income tax</b>		12,694	(20,413)
Income tax expense	7	(3,524)	(634)
<b>Profit/(loss) for the period attributable to owners of the Company</b>	8	9,170	(21,047)
<b>Other comprehensive (expense)/income:</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(4,705)	9,361
<b>Other comprehensive (expense)/income for the period, net of income tax</b>		(4,705)	9,361
<b>Total comprehensive income/(expense) for the period attributable to owners of the Company</b>		4,465	(11,686)
<b>Profit/(loss) per share (RMB)</b>	10		
— Basic		0.0048	(0.0111)
— Diluted		0.0048	(0.0111)

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	11	12,955	12,331
Right-of-use assets		13,337	16,025
Intangible assets		11,947	12,748
Investments at fair value through profit or loss	12	116,714	115,501
Prepayments and deposits		10,450	10,450
Other receivables	14	2,427	2,377
Deferred tax assets		15,944	17,389
<b>Total non-current assets</b>		<b>183,774</b>	186,821
<b>Current assets</b>			
Trade receivables	13	68,933	80,684
Contract costs		20,935	20,312
Prepayments and deposits		43,049	25,146
Other receivables	14	25,417	21,267
Investments at fair value through profit or loss	12	126,748	143,155
Bank and cash balances		516,385	534,516
<b>Total current assets</b>		<b>801,467</b>	825,080
<b>TOTAL ASSETS</b>		<b>985,241</b>	1,011,901
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		62	62
Reserves	16	790,113	785,672
<b>Total equity</b>		<b>790,175</b>	785,734

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	15	41,924	44,765
Contract liabilities		65,218	66,769
Accruals and other payables		49,902	65,937
Lease liabilities		7,715	6,416
Current tax liabilities		21,198	28,498
<b>Total current liabilities</b>		<b>185,957</b>	212,385
<b>Non-current liabilities</b>			
Lease liabilities		9,109	13,782
<b>Total liabilities</b>		<b>195,066</b>	226,167
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>985,241</b>	1,011,901

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	(Unaudited)					
	Attributable to owners of the Company					
	Share capital	Share premium	Shares held for RSU Scheme	Reserves	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000 (Note 16)	RMB'000	RMB'000
<b>At 1 January 2023</b>	62	712,720	(2)	156,677	(91,647)	777,810
Total comprehensive income/ (expense) for the period	—	—	—	9,361	(21,047)	(11,686)
<b>At 30 June 2023</b>	62	712,720	(2)	166,038	(112,694)	766,124
<b>At 1 January 2024</b>	62	712,720	(2)	157,827	(84,873)	785,734
Repurchase of shares	—	(24)	—	—	—	(24)
Total comprehensive income/ (expense) for the period	—	—	—	(4,705)	9,170	4,465
<b>At 30 June 2024</b>	62	712,696	(2)	153,122	(75,703)	790,175

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Cash used in operating activities	(31,322)	(63,727)
Income tax paid	(9,378)	(10,844)
Interest received	12,340	4,763
Lease interests paid	(476)	(598)
<b>Net cash used in operating activities</b>	<b>(28,836)</b>	<b>(70,406)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(3,013)	(2,885)
Proceeds from disposals of property and equipment	146	—
Purchases of intangible assets	(1,288)	(1,215)
Purchases of investments at fair value through profit or loss	(210,000)	(340,000)
Settlement of investments at fair value through profit or loss	219,456	240,859
Other investing cash flows	—	(161)
<b>Net cash generated from/(used in) investing activities</b>	<b>5,301</b>	<b>(103,402)</b>
<b>Cash flows from financing activities</b>		
Settlement of notes receivables	11,000	—
Repayment of lease liabilities	(4,326)	(3,272)
Payment on repurchase of shares	(24)	—
<b>Net cash generated from/(used in) financing activities</b>	<b>6,650</b>	<b>(3,272)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(16,885)</b>	<b>(177,080)</b>
Effect of foreign exchange rate changes	(1,246)	6,755
<b>Cash and cash equivalents at the beginning of the period</b>	<b>534,516</b>	<b>682,799</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>516,385</b>	<b>512,474</b>
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	516,385	512,474

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 1. General Information

FingerTango Inc. (the “**Company**”) was incorporated in the Cayman Islands on 9 January 2018 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Room 1602, 16/F, Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong. The address of its headquarters is Building 5, Zone A, Huaxin Kechuang Island, No. 248 Qiaotou Street, Haizhu District, Guangzhou, the People’s Republic of China (the “**PRC**”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the Company’s presentation currency and the functional currency of the principal operating subsidiaries of the Company.

The Company is an investment holding company. The principal activities of the principal operating subsidiaries of the Company are development, operation and publishing of mobile game business in the PRC.

## 2. Basis of Preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

## 3. Adoption of New and Revised International Financial Reporting Standards

In the current period, the Company and its subsidiaries (collectively referred to as the “**Group**”) has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### (a) Disclosures of level in fair value hierarchy

Fair value measurements using: Description	(Unaudited)		Total
	Level 1 RMB'000	Level 3 RMB'000	30 June 2024 RMB'000
<i>Recurring fair value measurements:</i>			
Investments at fair value through profit or loss			
— Listed equity securities in Hong Kong	6,748	—	6,748
— Unlisted wealth management products	—	236,714	236,714
Total recurring fair value measurements	6,748	236,714	243,462

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. Fair Value Measurements (continued)

### (a) Disclosures of level in fair value hierarchy (continued)

Fair value measurements using: Description	(Audited)		Total 31 December 2023
	Level 1 RMB'000	Level 3 RMB'000	RMB'000
<i>Recurring fair value measurements:</i>			
Investments at fair value through profit or loss			
— Listed equity securities in Hong Kong	23,155	—	23,155
— Unlisted wealth management products	—	235,501	235,501
<b>Total recurring fair value measurements</b>	<b>23,155</b>	<b>235,501</b>	<b>258,656</b>

### (b) Reconciliation of assets measured at fair value based on level 3

Description	(Unaudited) Investments at fair value through profit or loss	
	2024 RMB'000	2023 RMB'000
<b>At 1 January</b>	<b>235,501</b>	131,671
Total gains or losses recognised in profit or loss (#)	824	3,400
Additions	210,000	340,000
Settlements	(210,000)	(240,859)
Currency translation differences	389	2,063
<b>At 30 June</b>	<b>236,714</b>	236,275
(#): Include gains or losses for assets held at the end of the reporting period	824	2,756

The total gains or losses recognised in profit or loss including those for assets held at the end of the reporting period are presented in other gains/(losses), net in the condensed consolidated statement of profit or loss and other comprehensive income.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. Fair Value Measurements (continued)

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period

The Group's chief financial officer is responsible for the fair value measurements of assets required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group has a team that manages the valuation exercise of level 3 financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least twice every year, the team would use valuation techniques to determine the fair value of the Group's level 3 financial instruments. External valuation expert will be involved when necessary.

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value at 30 June 2024 RMB'000 (Unaudited)
<i>Investments at fair value through profit or loss</i>					
– Unlisted wealth management products	Market comparable approach	Dealer quotes for similar instruments	up to 5.0%	Increase	116,714
	Discounted cash flow	Estimated return	2.92%–3.37%	Increase	120,000

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value at 31 December 2023 RMB'000 (Audited)
<i>Investments at fair value through profit or loss</i>					
– Unlisted wealth management products	Market comparable approach	Dealer quotes for similar instruments	up to 5.0%	Increase	115,501
	Discounted cash flow	Estimated return	2.75%–3.77%	Increase	120,000

There were no changes in the valuation techniques used.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 5. Revenue and Segment Information

The Group's chief operating decision maker has been identified as its executive directors, who review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Therefore, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially located in the PRC and substantially all of the Group's revenues are derived from the PRC. Therefore, no geographical segments are presented.

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Self-publishing	191,671	146,786
Co-publishing	136,619	165,836
<b>Total revenue</b>	<b>328,290</b>	312,622
<b>Disaggregation of revenue from contracts with customers:</b>		
Timing of revenue recognition		
Over time	328,290	312,622

Revenue from major customers:

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (six months ended 30 June 2023: nil).

The following table summarises the percentage of revenue from games licensed by a single game developer exceeding individually 10% of the Group's revenue during the six months ended 30 June 2024:

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
Game developer a	80.0%	68.2%

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 6. Other Income, and Other (Losses)/Gains, Net

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Government grants	2,052	1,966
Interest revenue	12,340	3,915
Changes in fair value of investments at fair value through profit or loss	(6,202)	1,264
Net foreign exchange gains	1,007	380
Others	39	38
	9,236	7,563

## 7. Income Tax Expense

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current tax	(2,078)	885
Deferred tax	(1,446)	(1,519)
	(3,524)	(634)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries of the Company in the PRC is 25% (six months ended 30 June 2023: 25%).

Shanghai Kaixi Networks Technology Limited (“Kaixi Networks”) and Shanghai Fenyong Networks Technology Limited (“Shanghai Fenyong”), subsidiaries of the Company, were accredited as “software enterprise” under the relevant PRC laws and regulations. It is exempt from EIT for two years, followed by 50% reduction in the applicable tax rates for the next three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years.

Kaixi Networks started to enjoy the 0% preferential tax rate for two years beginning from year 2021, followed by 50% reduction in the applicable tax rates for the next three years, since it has made profit in year 2021.

Shanghai Fenyong started to enjoy the 0% preferential tax rate for two years beginning from year 2023, followed by 50% reduction in the applicable tax rates for the next three years.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 7. Income Tax Expense (continued)

Guangzhou Miyuan Networks Technology Co., Limited (“**Miyuan Networks**”) was qualified as “High and New Technology Enterprises” under the EIT Law since year 2016. Accordingly, it was entitled to a preferential tax rate of 15% for a 3-year period. Miyuan Networks was re-entitled as “High and New Technology Enterprises” under the EIT Law in year 2023. Accordingly, the applicable tax rate was 15% (2023: 15%) for the period ended 30 June 2024.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

## 8. Profit/(Loss) for the Period

The Group’s profit/(losses) for the period is stated after charging/(crediting) the following:

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Amortisation of intangible assets	2,090	2,408
Depreciation	5,495	5,259
(Reversal of) loss allowance provision for trade receivables (included in administrative expenses)	(221)	1,684
Reversal of loss allowance provision for other receivables (included in administrative expenses)	(643)	(11,513)
Reversal of loss allowance provision for note receivables (included in administrative expenses)	(11,000)	—
Staff costs including directors’ emoluments	51,106	55,038

## 9. Dividend

No dividends was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2024, nor has any dividend been proposed at the end of the reporting period (six months ended 30 June 2023: nil).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 10. Profit/(Loss) per Share (RMB)

The calculation of the basic and diluted profit/(loss) per share is based on the following:

	(Unaudited) Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Profit/(loss)</b>		
Profit/(loss) for the purpose of calculating basic and diluted profit/(loss) per share	9,170	(21,047)
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted profit/(loss) per share	1,918,088	1,899,956

The effects of all potential shares are anti-dilutive for the six months ended 30 June 2024.

## 11. Property and Equipment

During the six months ended 30 June 2024, the Group acquired property and equipment of RMB3,013,000 (six months ended 30 June 2023: RMB2,885,000).

## 12. Investments at Fair Value Through Profit or Loss

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Listed equity securities in Hong Kong	6,748	23,155
Unlisted wealth management products	236,714	235,501
Total investments at fair value through profit or loss	243,462	258,656
Analysed as:		
Non-current assets	116,714	115,501
Current assets	126,748	143,155
	243,462	258,656

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 13. Trade Receivables

The ageing analysis of trade receivables, based on recognition date of trade receivables, and net of allowance, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
0 to 1 month	25,500	26,978
1 month to 3 months	40,911	45,283
3 months to 6 months	1,550	7,469
6 months to 1 year	972	954
	<b>68,933</b>	<b>80,684</b>

## 14. Other Receivables

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Input value-added tax to be deducted	3,539	3,541
Interest receivables	19,798	20,311
Loans to third parties (Note)	363,686	361,514
Receivables from game developers	5,931	5,931
Finance lease receivables	3,485	3,485
Others	14,232	10,027
	<b>410,671</b>	<b>404,809</b>
Less: provision for ECL	<b>(382,827)</b>	<b>(381,165)</b>
	<b>27,844</b>	<b>23,644</b>
Analysed as:		
Non-current assets	2,427	2,377
Current assets	25,417	21,267
	<b>27,844</b>	<b>23,644</b>

Note: The increase of loans to third parties was solely due to the fluctuations of exchange rate.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 15. Trade Payables

The ageing analysis of trade payables, based on recognition date of trade payables, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
0 to 1 month	11,132	12,160
1 month to 3 months	21,148	23,143
3 months to 6 months	6,436	6,980
6 months to 1 year	599	1,187
Over 1 year	2,609	1,295
	<b>41,924</b>	<b>44,765</b>

## 16. Reserves

	Share- based payments reserve RMB'000	Statutory reserve RMB'000	(Unaudited) Foreign currency translation reserve RMB'000	Equity investments revaluation reserve RMB'000	Total RMB'000
<b>At 1 January 2023</b>	148,518	16,903	(344)	(8,400)	156,677
Currency translation differences	—	—	9,361	—	9,361
<b>At 30 June 2023</b>	148,518	16,903	9,017	(8,400)	166,038
<b>At 1 January 2024</b>	148,518	16,903	806	(8,400)	157,827
Currency translation differences	—	—	(4,705)	—	(4,705)
<b>At 30 June 2024</b>	148,518	16,903	(3,899)	(8,400)	153,122

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 17. Contingent Liabilities

As at 30 June 2024, the Group did not have any significant contingent liabilities (31 December 2023: nil).

## 18. Capital Commitments

The Group's capital commitments at the end of the reporting period are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Intangible assets — Contracted but not provided for	10,520	10,520

## 19. Related Party Transactions

### Key management personnel compensations

The compensations paid or payable to key management personnel (including the Board, chief executive officer and other senior executives) for employee services are as follows:

	(Unaudited) Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	2,794	2,495
Pension costs — defined contribution plans	26	25
Social security costs, housing benefits and other employee benefits	49	39
	2,869	2,559

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 20. Events after the Reporting Period

On 6 October 2023, the Company was served with a petition (the “**Petition**”) from the Securities and Futures Commission (“**SFC**”). In the Petition, the SFC seeks, inter alia, that the Company shall appoint an external auditor (after consultation with the SFC) to review and prepare a report on its internal control procedures. The Petition was originally to be heard at the High Court of Hong Kong on 23 May 2024. The hearing for the Petition was ordered to be adjourned sine die with liberty to restore. On 29 July 2024, the Company was informed by the SFC of the restored hearing which has been fixed on 6 November 2024 at the High Court of Hong Kong. For details, please refer to the announcements of the Company dated 8 October 2023, 14 May 2024 and 30 July 2024.

## 21. Approval of the Condensed Consolidated Financial Statements

The condensed consolidated financial statements were approved and authorised for issue by the Board on 28 August 2024.

# Other Information

## USE OF PROCEEDS

The net proceeds at approximately HK\$967.1 million (the “**Net Proceeds**”) received from the listing of the Company on 12 July 2018 (the “**Listing Date**”) was used and are proposed to be used in a manner consistent with that disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 June 2018. Since the Listing Date and up to 30 June 2024, the utilization of the net proceeds and remaining balance (approximately HK\$346.3 million) are set out below:

	Percentage of the net proceeds for each intended usage %	Amount of the net proceeds for each intended usage HK\$' Million	Amount of the remaining net proceeds as at 31 December 2023 HK\$' Million	Amount of net proceeds utilised during the six months ended 30 June 2024 HK\$' Million	Amount of the remaining net proceeds as at 30 June 2024 HK\$' Million
Intended use of net proceeds					
Develop game sourcing capabilities and ensure us to acquire high quality game content	35%	338.5	273.5	21.2	252.3
Establish in-house game development team	25%	241.8	89.4	30.0	59.4
Fund marketing and promotional activities	20%	193.4	–	–	–
Expand into overseas markets and develop overseas operation	10%	96.7	–	–	–
Working capital and general corporate purposes	10%	96.7	38.6	4.0	34.6
<b>Total</b>	<b>100%</b>	<b>967.1</b>	<b>401.5</b>	<b>55.2</b>	<b>346.3</b>

The expected timeline for fully utilizing the remaining proceeds is by 2024 and it was based on the best estimation of the future market conditions made by the Group. It would be subject to change based on the current and future development of market conditions.

## INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six-month period ended 30 June 2024.

### EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2024, the Group had a total of 301 employees, comparing to 347 employees as at 30 June 2023. The Group provides employees with competitive remuneration and benefits, and the Group's remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provides training programs to employees, including new hire training for new employees and continuing technical training primarily for our research and development team and game operation team to enhance their skill and knowledge.

### SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

During the Reporting Period, the Company has subscribed for the wealth management products as below:

1. On 24 January 2024, Shanghai Youmin Networks Technology Limited\* (上海遊民網絡科技有限公司) (“**Shanghai Youmin**”) subscribed for a wealth management product “SPD Wealth Management No. 87 JiJiXin Closed-end Wealth Management Product” managed by SPD Wealth Management Co., Ltd. in the amount of RMB30,000,000 for 106 days with the expected annualised rate of return range of 2.80% to 3.05% per annum. For further details, please refer to the announcement of the Company dated 24 January 2024;
2. On 6 February 2024, Shanghai Youmin subscribed for a wealth management product “Wealth Management Product WenXiangGuShou Daily-opened Selection of BOCOM Wealth Management with 180-day holding period” distributed by China Merchants Bank Co., Ltd. in the amount of RMB30,000,000 for 180 days with the expected annualised rate of return range of 2.90% to 3.50% per annum. For further details, please refer to the announcement of the Company dated 6 February 2024;
3. On 6 February 2024, Shanghai Youmin subscribed for a wealth management product “XingFuTianLi (3 Months) Guaranteed Fixed Return Wealth Investment Product No. 1 of CGB Wealth Management” managed by CGB Wealth Management Co., Ltd. in the amount of RMB30,000,000 for at least three months with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 6 February 2024;
4. On 27 February 2024, Shanghai Youmin subscribed for a wealth management product “CIB Wealth Management Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series A” issued by CIB Wealth Management Co., Ltd.\* (興銀理財有限責任公司) in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return at 2.70% to 3.56% per annum. For further details, please refer to the announcement of the Company dated 27 February 2024;

5. On 22 May 2024, Shanghai Youmin subscribed for a wealth management product “SPD Wealth Management No. 138 JiJiXin Closed-end Wealth Management Product” managed by SPD Wealth Management Co., Ltd. in the amount of RMB30,000,000 for 99 days with the expected annualised rate of return range of 2.65% to 2.90% per annum. For further details, please refer to the announcement of the Company dated 22 May 2024;
6. On 23 May 2024, Shanghai Youmin subscribed for a wealth management product “XingFuTianLi (3 Months) Guaranteed Fixed Return Wealth Investment Product No. 1 of CGB Wealth Management” managed by CGB Wealth Management Co., Ltd. in the amount of RMB30,000,000 for at least three months with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 23 May 2024;
7. On 17 June 2024, Shanghai Youmin subscribed for a wealth management product “CIB Wealth Management Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series A” issued by CIB Wealth Management in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return at 2.30% to 2.80% per annum. For further details, please refer to the announcement of the Company dated 17 June 2024.

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

There was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries during the Reporting Period.

## SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group has no significant investment, acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

## PLEDGE OF ASSETS

As at 30 June 2024, none of the Group’s assets was pledged.

## CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any material contingent liabilities.

### EVENT OF DEFAULT OF NOTES OF THE ISSUER

The Company subscribed secured notes in the principal amount of HK\$250,000,000 (the “Notes”) issued by Orbitronic Global Development Co., Limited (the “Issuer”) on 13 December 2019, the maturity date of the Notes was extended from 12 December 2020 to 12 June 2021. For details, please refer to the announcements of the Company dated 13 December 2019, 12 December 2020 and 22 June 2021 respectively.

Until the maturity date and up to 31 December 2023, the Issuer failed to repay the principal amount of the Notes together with the accrued interests on the Notes to the Company and such sums remained outstanding. The Company underwent significant changes in the composition of its Board members between June to August 2023. The new Board is determined and committed to recover the outstanding Notes. In August 2023, the Company engaged a Hong Kong legal firm to issue a demand letter, accompanied by a draft writ of summons to the Issuer. Thereafter the Company and the Issuer engaged in discussions for the recovery process. Following the extensive efforts and communication by the new Board, discussions were held with Issuer regarding a settlement process.

In October 2023, the Company, the Issuer, and the sole shareholder of the Issuer, entered into a deed of supplemental agreement (the “Supplemental Agreement”). Pursuant to the Supplemental Agreement, the said sole shareholder of the Issuer further agrees to pledge the 10,000 shares of the Issuer (representing 100% of the shares of the Issuer) as the further collateral for the Notes and the Company shall be entitled to immediate appointment of a receiver (the “Receiver”) for all or any part of the collateral under the Notes. In November 2023, the Company appointed the receiver in order to better safeguard the collateral and the Company’s interest in the Issuer. In February 2024, the Issuer further created a charge over trade and other receivables in favor of the Company, which was registered under the Company Ordinance. Through the efforts of the Receiver, the Issuer repaid the principal amount of approximately RMB11,000,000 during the Reporting Period. The Receiver will continue to pursue the outstanding sums from the Issuer. The Board is confident in achieving a positive outcome in the ongoing recovery process.

The Company will make further announcement(s) as necessary to keep Shareholders informed of any material developments regarding the matters mentioned above.

### LOANS TO OTHER THIRD PARTIES

During the period from May 2020 to March 2021, the Group granted loans to other third parties bearing interests ranging from 3% to 12% per annum with maturity term under one year. The balance of such loans to other third parties was RMB397,894,000 (in principal, before provision for expected credit losses) as at 31 December 2022. As at 31 December 2022, the loans to other third parties have been fully impaired on the basis that the loans are matured and aged over 1 year.

The Company has constantly followed up on the recovery of the loans for the purpose of safeguarding its assets, including instructing its legal advisers to take appropriate recovery actions against defaulted borrowers in March 2022 and May 2023 and negotiations with the borrowers for the settlement of the respective Loans. A special committee was established by the Company in April 2023 with authority and responsibility to follow up and chase for recovery of the outstanding loans.

Between June and August 2023, the Company experienced significant changes in its Board composition. The new Board is determined and committed to recovering the outstanding loans. In August 2023, the Company have instructed its legal advisers to take appropriate legal proceedings for loan recovery. After extensive efforts by the new Board, several discussions were held with the borrowers, The repayment status of the borrowers has made progress.

During 1 January 2023 to 30 June 2024, the outstanding principal amount of loans to third parties included approximately RMB11.1 million from Mosman King Limited, approximately RMB13.1 million from Brick Heads Limited, and approximately RMB17.1 million from Mr. SZE Ka Ho, all of these principals of loans have been fully repaid. During the same period, the Company received interest repayments on loans to third parties amounting to approximately RMB1.65 million from Mosman King Limited, approximately RMB0.85 million from Brick Heads Limited, and approximately RMB7.67 million from Mr. SZE Ka Ho.

Therefore, during 1 January 2023 to 30 June 2024, the Company recognized the reversal of loss allowance for loans to third parties amounting to approximately RMB40.3 million and for interest receivables of loans to third parties amounting to approximately RMB5.1 million.

The Company is continually monitoring the progress of repayments and will use its best endeavours to recover the outstanding loans. The Company has also instructed its legal representatives to advise on such action as considered necessary to recover all outstanding loans. At the appropriate juncture, the Company and its directors will consider the appropriateness of the suggested action and shall keep the Shareholders abreast of any developments in this regard.

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to herein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest
Mr. LIU Jie <sup>(2)</sup>	Interest in a controlled corporation	1,007,837,500 <sup>(1)</sup>	52.54%

Notes:

- (1) The Letter "L" denotes the person's long position (as defined under Part XV of the SFO) in our Shares.
- (2) LJ Technology Holding Limited, a beneficial owner of 1,007,837,500 Shares, is wholly-owned by Mr. LIU Jie. Thus, Mr. LIU Jie is deemed to be interested in the same number of Shares in which LJ Technology Holding Limited is interested by virtue of the SFO.



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

As at 30 June 2024, the following persons (other than the interest of the Directors or chief executives of the Company disclosed above) who had an interest or short positions in the Shares and underlying Shares which fall to be disclosed to the Company and Stock Exchange under the provisions of Division 2 or 3 or Part XV of the SFO or, which were recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest
LJ Technology Holding Limited <sup>(2)</sup>	Beneficial owner	1,007,837,500 <sup>(1)</sup>	52.54%
ZYB Holding Limited <sup>(3)</sup>	Beneficial owner	148,488,000 <sup>(1)</sup>	7.74%
Mr. ZHU Yanbin <sup>(3)</sup>	Interest in a controlled corporation	148,488,000 <sup>(1)</sup>	7.74%
ACERY Holding LIMITED <sup>(4)</sup>	Beneficial owner	103,545,000 <sup>(1)</sup>	5.40%
Mr. WU Junjie <sup>(4)</sup>	Interest in a controlled corporation	103,545,000 <sup>(1)</sup>	5.40%

Notes:

- (1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in our Shares.
- (2) LJ Technology Holding Limited is wholly-owned by Mr. LIU Jie. Thus, Mr. LIU Jie is deemed to be interested in the same number of Shares in which LJ Technology Holding Limited is interested by virtue of the SFO.
- (3) ZYB Holding Limited is wholly-owned by Mr. ZHU Yanbin, who has been resigned as executive Director on 23 June 2023. Thus, Mr. ZHU Yanbin is deemed to be interested in the same number of Shares in which ZYB Holding Limited is interested by virtue of the SFO.
- (4) ACERY Holding LIMITED is wholly-owned by Mr. WU Junjie. Thus, Mr. WU Junjie is deemed to be interested in the same number of Shares in which ACERY Holding LIMITED is interested by virtue of the SFO.

Save as disclosed herein, our Directors are not aware of any other person who, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept under section 336 of the SFO.

## RESTRICTED SHARE UNIT (THE “RSU”) SCHEME

We have adopted the RSU Scheme (the “**RSU Scheme**”) with a view to formalise the grant and proposal to grant share incentives to eligible management and employees of the Group. The participants of the RSU Scheme include the employees or officers (including executive, non-executive and independent non-executive directors), any person or entity that provides research, development, consultancy and other technical or operation or administrative support to the Group, and any other persons who, in the sole opinion of the Board, have contributed or will contribute to any member of the Group or entities controlled by the Company through contractual arrangements. Under the RSU Scheme, the maximum number of shares which may be granted is 75,000,000 shares and all such shares have been issued to be held on trust as shares underlying the RSUs for the benefit of eligible participants pursuant to the RSU Scheme. No other shares are available for issue under the RSU Scheme as at the date of this interim report. There is no maximum entitlement for individual participant under the RSU Scheme. Under the rules of the RSU Scheme, there is no prescribed time frame within which all awards must be accepted or prescribed vesting period for all awards which may be granted under the RSU Scheme. The acceptance of any awards under the RSU Scheme shall be made within the period specified and in the manner prescribed in the notice of grant to be issued by the Company from time to time on a case-by-case basis. There are no outstanding RSUs granted and the vesting period of awards which may be granted under the RSU Scheme will be specified in the notice of grant to be issued by the Company from time to time on a case-by-case basis. No purchase price is payable for shares awarded under the RSU Scheme. The number of awards available for grant under the RSU Scheme was 18,132,134 shares as at 1 July 2023 and 30 June 2024. The remaining life of the RSU Scheme is approximately 3.5 years as at the date of this interim report.

The RSU Scheme was approved and adopted by the Board on 16 March 2018, the principal terms of which are set out in “Statutory and General Information — D. RSU Scheme and Share Option Scheme — 1. RSU Scheme” in Appendix IV of the Company’s Prospectus.

We have appointed The Core Trust Company Limited as the trustee (the “**Trustee**”) to assist with the administration and vesting of the RSUs granted pursuant to the RSU Scheme. A total of 75,000,000 Shares (as adjusted after share sub-division conducted on 22 March 2018) were issued to Super Fleets Limited (the “**RSU Nominee**”), who hold the shares for the benefit of eligible participants pursuant to the RSU Scheme. No further Shares will be allotted and issued to the RSU Nominee or the Trustee for the purpose of the RSU Scheme (other than pursuant to sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company in accordance with the RSU Scheme). As the RSU Scheme does not involve the grant of options to subscribe for any new Shares of the Company, it is not required to be subject to the provisions under Chapter 17 of the Listing Rules.

### SHARE OF OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”) pursuant to a resolution passed on 19 June 2018 which will be valid for 10 years from the adoption date for the purposes of (i) motivating the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. Further details of the Scheme are set forth in the section headed “Statutory and General Information — D. RSU Scheme and Share Option Scheme” in Appendix IV to the Prospectus.

For the six months ended 30 June 2024, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

### CHANGE IN DIRECTORS’ INFORMATION

The Directors confirmed that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the period ended 30 June 2024 and up to the date of this report.

### MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 6 October 2023, the Company was served with a petition (the “**Petition**”) from the Securities and Futures Commission (“**SFC**”). In the Petition, the SFC seeks, inter alia, that the Company shall appoint an external auditor (after consultation with the SFC) to review and prepare a report on its internal control procedures. The Petition was originally to be heard at the High Court of Hong Kong on 23 May 2024. The hearing for the Petition was ordered to be adjourned sine die with liberty to restore. On 29 July 2024, the Company was informed by the SFC of the restored hearing which has been fixed on 6 November 2024 at the High Court of Hong Kong. For details, please refer to the announcements of the Company dated 8 October 2023, 14 May 2024 and 30 July 2024.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for Directors’ securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period and up to the date of this report.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period and up to the date of this report, the Company has complied with all the code provisions set forth in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules, except for the following deviation from the CG Code which is explained below:

According to provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LIU Jie (“Mr. Liu”) is our chairman and chief executive officer with extensive experience in the mobile internet industry and mobile game publishing industry. Mr. Liu is responsible for the strategic development, overall operation and management and major decision-making of our Group and is instrumental to our growth and business expansion since our establishment in 2013.

Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and visionary individuals. Our Board currently comprises two executive Directors (including Mr. Liu) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group’s business strategies and maximizes effectiveness of its operation.

## AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three members, namely, Mr. CHOW Wing Yiu (the Chairman), Mr. JIANG Huihui and Mr. SHIN Ho Chuen, all being independent non-executive Directors of the Company with appropriate professional qualification under Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the Company’s unaudited condensed consolidated results for the Reporting Period and this report and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters of the Company.

# Glossary

“ACERY Holding”	ACERY Holding LIMITED, an exempted company incorporated in the BVI with limited liability on 8 January 2018 and wholly owned by Mr. Wu Junjie
“Auditor”	CWK CPA Limited, the auditor of the Company
“Audit Committee”	the audit committee of the Board
“Binyou Networks”	Shanghai Binyou Networks Technology Limited (上海繽遊科技有限公司), a limited liability company incorporated under the laws of the PRC on 16 March 2018 and a wholly-owned subsidiary of our Company
“Board”	the board of Directors of the Company
“Cayman Islands”	the Cayman Islands
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Chairman”	Chairman of the Board
“Company”, “the Company”, “we” or “us”	FingerTango Inc. (指尖悅動控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2018
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by, among others, Binyou Networks, the Registered Shareholders and Youmin Networks, details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
“Group” or “the Group”	our Company, its subsidiaries and the PRC Operating Entities
“Hong Kong dollar(s)”, “HK dollar(s)” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS(s)”	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standard Board

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	The date which dealings in Shares first commence on the Stock Exchange, i.e. 12 July 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LJ Technology”	LJ Technology Holding Limited, an exempted company incorporated in the BVI on 8 January 2018 with limited liability, which was established and wholly-owned by Mr. Liu Jie
“Prospectus”	the prospectus dated 12 July 2018 issued by the Company
“Registered Shareholders”	direct shareholders of Youmin Networks, being Mr. Liu Jie, Mr. Zhu Yanbin, Mr. Wu Junjie, Zhuhai Sangu and Zhuhai Jugu
“Renminbi” or “RMB”	Renminbi yuan, the lawful currency of the PRC
“Reporting Period”	The six months ended 30 June 2024
“RSU(s)”	restricted share units or any one of them
“RSU Scheme”	The RSU scheme approved and conditionally adopted by the Shareholders on 28 February 2018, the principal terms of which are set out in “Statutory and General Information — D. RSU Scheme and Share Option Scheme — 1. RUS Scheme” in Appendix IV to the Prospectus
“Securities and Future Ordinance” or “SFO”	the Securities and Futures Ordinance of Hong Kong (chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.000005 each
“Shareholder(s)”	holder(s) of our Share(s)
“Share Option Scheme”	the share option scheme adopted by our Company on 19 June 2018 which complies with the provisions of Chapter 17 of the Listing Rules
“SLG”	simulation games, which are generally designed to closely simulate aspects of a real or fictional reality

## Glossary

“Youmin Networks”	Shanghai Youmin Networks Technology Limited (上海遊民網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on 3 December 2013 and one of our PRC Operating Entities
“ZYB Holding”	ZYB Holding Limited, an exempted company incorporated in the BVI on 8 January 2018 with limited liability, which was established and wholly-owned by Mr. Zhu Yanbin