



火岩控股
FIRE ROCK HOLDINGS

火岩控股有限公司
FIRE ROCK HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock code : 1909



2024
INTERIM REPORT



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DEFINITION

“Articles of Association”	the articles of association of the Company conditionally adopted on 24 January 2016 and as amended, supplemented and otherwise modified from time to time
“Audit Committee”	the audit committee under the Board
“Board”	the board of directors of the Company
“browser games”	online games that can be played within a web browser which does not require active installation of client software
“commercial launch” or “commercialisation”	a game is considered commercially launched once our licensed operator(s) have (i) designated third party payment channels to collect payment for sales of in-game tokens, and (ii) concluded the open beta testing stage
“Company”	Fire Rock Holdings Limited (火岩控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed and traded on the Main Board (Stock code: 1909)
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“Group” or “we”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing”	the listing of the Shares of the Company on GEM
“Main Board”	the Main Board of the Stock Exchange
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“mobile games”	online games that are downloaded to and played on mobile devices including smartphones and tablets
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in appendix C3 of the Main Board Listing Rules
“Nomination Committee”	the nomination committee under the Board
“paying player”	players who obtain in-game tokens with credits of licensed operators
“Placing”	the conditional placing of Shares of the Company in February 2016
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this report, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee under the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time

“SGD”	Singapore Dollar, the lawful currency of Singapore
“Share(s)”	ordinary share(s) with a nominal value of one-twelfth Hong Kong cent each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this report, the terms “associate”, “close associate”, “connected”, “connected person”, “core connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings ascribed thereto under the Listing Rules, unless the context otherwise requires.

COMPANY PROFILE

Executive Directors

Mr. ZHOU Zhiwei
(Chief Executive Officer)
Mr. GAO Bo
Ms. WONG Yan

Independent Non-Executive Directors

Mr. TAM Chik Ngai Ambrose
Ms. CHOW Woon San Shirley
Mr. LOK Tze Bong

Audit Committee

Mr. TAM Chik Ngai Ambrose
(Chairman)
Ms. CHOW Woon San Shirley
Mr. LOK Tze Bong

Remuneration Committee

Mr. TAM Chik Ngai Ambrose
(Chairman)
Ms. CHOW Woon San Shirley
Mr. LOK Tze Bong

Nomination Committee

Ms. CHOW Woon San Shirley
(Chairman)
Mr. TAM Chik Ngai Ambrose
Mr. LOK Tze Bong

Joint Company Secretaries

Mr. CHU Hon Leung
Ms. LI Zijuan

Authorised Representatives

Mr. CHU Hon Leung
Mr. GAO Bo

Registered Office

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters and Principal Place of Business

20 Science Park Road,
#02-25 Teletech Park,
Singapore 117674

Principal Place of Business in Hong Kong

2201-2203, 22/F
World-Wide House
Central
Hong Kong



Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

Bank of Communications Co., Ltd.,
Hong Kong Branch
Oversea-Chinese Banking
Corporation Limited

Hong Kong Legal Adviser

Li & Partners

Auditor

Crowe (HK) CPA Limited
Certified Public Accountants

Stock Code

1909

Company Website

www.firerock.hk

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2024. The interim results have been reviewed by the Audit Committee of the Company.

BUSINESS REVIEW AND PROSPECTS

Overview

The Group is a well-established game developer, publisher and operator. During the reporting period, the Group strategically expanded its main business to more diversified services, including publishing Internet application technology business and investment business. For the six months ended 30 June 2024, the profit attributable to equity holders of the Company was HKD6.8 million, while for the six months ended 30 June 2023, the profit attributable to equity holders of the Company was HKD581.7 million. The decrease was mainly due to the one-time non-recurring income from the surrender of promissory notes as stated in the announcement of the Company dated 30 June 2023 and given the increase in market instability, the profit attributable to equity holder may not be predictable in the future.

Looking forward, the Group will further enhance the business relating to third party's licensed game publishing, intellectual property rights (e.g. game operation platform program) licensing services to enterprise, online marketing and digital support activities and game operation business in overseas market.

FINANCIAL REVIEW

Revenue

We are principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation, on the basis of which we license our self-developed browser and mobile games to licensed operators around the world ("**Game Development**"), assist the third parties in promoting game-related business, and provide intellectual property rights licensing services to enterprises ("**Game Publishing and Operation**"). We also self-operate our self-developed games products in oversea markets.

During the six months ended 30 June 2024, the Group's revenue was approximately HKD63.0 million, representing a decrease of approximately HKD1.5 million as compared to approximately HKD64.5 million for the six months ended 30 June 2023, which was primarily due to the impact of the market environment (including the change of exchange rate) and the general economic conditions of the industry.

REVENUE BY GEOGRAPHICAL MARKETS

The following table sets forth our revenue from our games based on territories, in absolute amounts and as a percentage of our revenue for each of the six months ended 30 June 2024 and 2023:

	For the six months ended 30 June			
	2024		2023	
	HKD'000 (unaudited)	%	HKD'000 (unaudited)	%
Asia Pacific	62,999	100.0	64,540	100.0

Direct costs

The Group's direct costs mainly consisted of staff costs and benefits, channel costs charged by self-operated game platforms and licensed distribution costs. The following table sets forth a breakdown of the Group's direct costs for the reporting period indicated:

	For the six months ended 30 June			
	2024		2023	
	HKD'000 (unaudited)	%	HKD'000 (unaudited)	%
Staff costs and benefits	566	5.3	530	4.4
Self-operated channel costs	3,809	35.3	3,362	28.1
Licensed distribution costs	6,408	59.4	8,087	67.5
Total	10,783	100.0	11,979	100.0

The decrease in direct costs for the six months ended 30 June 2024 was mainly due to the decrease in the licensed distribution costs.

Gross profit and gross profit margin

Our gross profit for the six months ended 30 June 2024 amounted to approximately HKD52.2 million, as compared to approximately HKD52.6 million for the six months ended 30 June 2023. Our gross profit margin for the six months ended 30 June 2024 was approximately 82.9% as compared to approximately 81.4% for the six months ended 30 June 2023. The increase in our gross profit margin was mainly due to the effective control on the licensed distribution costs during the reporting period.

Other income

Our other income mainly consisted of interest income of bank deposits, government grants, exchange gain, surrender of promissory notes and other gains. For the six months ended 30 June 2024, our other income was approximately HKD0.2 million, compared with approximately HKD592.7 million for the same period in 2023. The significant decrease in other income was mainly due to the one-time non-recurring other income of the surrender of promissory notes as disclosed in the announcement dated 30 June 2023.

Distribution costs

Our distribution costs for the six months ended 30 June 2024 amounted to approximately HKD26.6 million, represented an increase of approximately HKD1.5 million as compared to approximately HKD25.1 million for the same period in 2023. The increase in distribution costs for the six months ended 30 June 2024 was due to the increase in advertising and promotional expenses.

Administrative expenses

The Group's administrative expenses primarily comprised salaries and employee benefits expenses, legal and professional fees, depreciation of property, plant and equipment, depreciation of right-of-use assets, exchange difference and others.

The Group's administrative expenses for the six months ended 30 June 2024 amounted to approximately HKD14.2 million, representing a decrease of approximately 12.9% as compared to approximately HKD16.3 million for the six months ended 30 June 2023. The decrease of the Group's administrative expenses was mainly attributable to the decrease in professional fees paid during the reporting period.

Income tax expense

Our income tax expense for the six months ended 30 June 2024 amounted to approximately HKD4.0 million while we recorded HKD4.4 million for the six months ended 30 June 2023. The decrease in our income tax expense was mainly attributable to the decrease in revenue and profit.

Profit for the reporting period

Given the aforesaid reasons, profit attributable to owners of the Company decreased by approximately 98.8% from approximately HKD581.7 million for the six months ended 30 June 2023 to approximately HKD6.8 million for the six months ended 30 June 2024. The significant decrease in profit attributable to owners of the Company for the six months ended 30 June 2024 was mainly attributable to the one-time non-recurring other income recorded in the six months ended 30 June 2023 as disclosed in the announcement dated 30 June 2023.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 30 June 2024, we mainly financed our business with cash generated from our operating activities. We intend to fund our expansion and business operations through our internal resources and on-going internal growth.

TREASURY POLICY

During the six months ended 30 June 2024, the Group deposited its capital with commercial banks in the PRC, Hong Kong, Thailand and Singapore, and did not engage in any investments with high risks or speculative derivative instruments.

CASH AND CASH EQUIVALENTS

As at 30 June 2024, our cash and cash equivalents amounted to approximately HKD61.8 million, compared with approximately HKD85.5 million as at 31 December 2023, which primarily consisted of cash at bank and cash in hand and which are mainly denominated in USD (as to approximately 66.5%), THB (as to approximately 24.6%), HKD (as to approximately 2.0%), RMB (as to approximately 3.2%) and SGD (as to approximately 3.7%).

CAPITAL EXPENDITURES

Our capital expenditures comprised expenditures on the purchase of furniture and office equipment and leasehold improvements. For the six months ended 30 June 2024, our total capital expenditures amounted to approximately HKD0.2 million, representing the purchase of furniture and office equipment (for the six months ended 30 June 2023: approximately HKD0.2 million, representing the purchase of furniture and office equipment). We funded our capital expenditure by using our cash flow generated from our operations.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 18 February 2016. Listing of the Shares has been transferred from GEM to the Main Board since 27 June 2019. The capital structure of the Company comprised of issued share capital and reserves.

BORROWINGS AND GEARING RATIO

As at 30 June 2024, the Group did not have any short-term or long-term borrowings.

As at 30 June 2024, the gearing ratio of the Group, calculated as total liabilities divided by total assets, was approximately 6.6% (as at 31 December 2023: approximately 12.8%).

CHARGE ON GROUP ASSETS

As at 30 June 2024, no assets of the Group was pledged as a security for bank borrowings or any other financing facilities (as at 31 December 2023: Nil).

INFORMATION ON EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had 120 employees (as at 30 June 2023: 86 employees), who mainly worked and were located in Hong Kong, the PRC, Singapore and Thailand. The table below sets forth the number of employees by function as at 30 June 2024 and 2023:

Department	As at 30 June			
	2024		2023	
	<i>Number of employees</i>	<i>% of total employees</i>	<i>Number of employees</i>	<i>% of total employees</i>
Management	6	5%	12	14%
Project Development	41	34%	24	28%
Game design	13	11%	10	12%
Programming	17	14%	8	9%
Art	11	9%	6	7%
Project Support	52	44%	38	44%
Marketing	27	23%	5	6%
Licensing and operator support	24	20%	24	28%
Information technology	1	1%	9	10%
Finance and administration	21	17%	12	14%
Total	120	100%	86	100%

The total remuneration of the employees of the Company was approximately HKD8.3 million for the six months ended 30 June 2024 (for the same period in 2023: approximately HKD7.4 million).

The Remuneration Committee will regularly review and recommend to the Board from time to time on the remuneration and compensation of the Directors and senior management of the Group.

The Group offers competitive remuneration package commensurate with industry practice and provides benefits to employees of the Group, including social insurance coverage, defined contribution retirement scheme and bonus. In determining staff remuneration, the Group takes into account salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group. The staff remuneration is reviewed regularly.

Contributions to the Group's defined contribution retirement schemes charged to the Group's condensed consolidated statement of comprehensive income for the six months ended 30 June 2024 were approximately HKD1.4 million (for the six months ended 30 June 2023: approximately HKD1.2 million). There was no contribution forfeited by the Group on behalf of its employees who left their respective scheme prior to vesting fully in such contribution, which may be used by the Group to reduce the existing level of contributions during the six months ended 30 June 2024 and 2023. As at 30 June 2024 and 30 June 2023, there was no forfeited contribution available to reduce the level of contributions in future years.

The Directors believe that maintaining a stable and motivated employee force is critical to the success of the Group's business. As a fast growing company, the Company is able to provide its employees with ample career development choices and opportunities of advancement. The Group organises various training programs on a regular basis for its employees to enhance their knowledge of online game development and operation, improve time management and internal communications and strengthen team building.

SIGNIFICANT INVESTMENTS IN OR MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

In March 2023, the Group disposed its entire equity interest in Lord Metaverse Co., Ltd. at a cash consideration of THB810,000 (approximately HKD185,000).

For the six months ended 30 June 2024, there were no significant investments in or material acquisitions and disposals of subsidiaries and associated companies by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as those disclosed in this report, there were no plan authorised by the Board for material investments or additions of capital assets at the date of this report.

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE RISKS

The functional currency of the Group is HKD and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, THB, RMB and SGD. All of the revenue are denominated in currencies other than the functional currency of the operating units making the revenue for the six months ended 30 June 2024 and 2023. Therefore, foreign exchange risks primarily arose from recognised assets in the Group when receiving or planning to receive foreign currencies from overseas cooperated counter parties.

The Group currently does not have any hedging policy in respect of the foreign currency risk. However, our management team closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this respect, we are not exposed to any significant foreign currency exchange risk in our operation.

USE OF PROCEEDS FROM THE PLACING


The Shares of the Company was listed on GEM of the Stock Exchange on 18 February 2016, and the net proceeds from the Placing was approximately HKD28.9 million.

Listing of the Shares has been transferred to the Main Board from GEM on 27 June 2019 without further issuance of Shares.

As at 30 June 2024, the Group has spent approximately HKD27.8 million, in aggregate, of the proceeds from the Placing (approximately HKD7.2 million on development of new games on mobile devices platform, approximately HKD7.2 million on development of new browser games, approximately HKD2.9 million on the continual optimisation of our existing games on various platforms, approximately HKD2.9 million on enhancing our game development capabilities, approximately HKD3.6 million on the acquisition/investment of game developers and related companies, approximately HKD2.5 million on the acquisition/purchase of the adaptation rights of source materials and approximately HKD1.5 million for working capital and other general corporate uses). The Group continues to seek opportunities to obtain/acquire the adaptation rights of appropriate source materials.

As at 30 June 2024, the Company's use of proceeds from the Placing is set out as follows:

	Original allocation	Original allocation	30 June 2024 Amount used	30 June 2024 Amount used	30 June 2024 Amount unused	30 June 2024 Amount unused	Expected timeline of full utilisation of unutilised amounts as at 30 June 2024
	HKD million	percentage	HKD million	percentage	HKD million	percentage	
Continual optimisation of our existing games on various platforms	2.9	10.0%	2.9	10.0%	—	—	
Development of new games	7.2	25.0%	7.2	25.0%	—	—	
— Browser games							
Development of new games	7.2	25.0%	7.2	25.0%	—	—	
— Mobile games							
Seeking opportunities to obtain/acquire the adaptation rights of appropriate source materials	3.6	12.5%	2.5	8.7%	1.1	3.8%	By end of 2024
Acquiring of/investment in game developers and related companies	3.6	12.5%	3.6	12.5%	—	—	
Enhancement and diversification of our game development capabilities	2.9	10.0%	2.9	10.0%	—	—	
Working capital and other general corporate purposes	1.5	5.0%	1.5	5.0%	—	—	
Total	28.9	100.0%	27.8	96.2%	1.1	3.8%	



The Group has been seeking opportunities to obtain or acquire the adaptation rights of appropriate source materials but no concrete agreement was reached for the six months ended 30 June 2024 and as at the date of this report. In view of the vulnerable global economy and uncertain policy environment of the mobile game industry, the Board considered it appropriate to adopt a relatively cautious approach in the acquisition of the adaptation rights of appropriate source materials such as fictional characters, artworks or game designs. Since the use of such net proceeds was delayed, the Group will continue to actively seek opportunities and expect to utilise such proceeds by the end of 2024.

EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to owners of the Company of approximately HKD6.8 million or earnings per share of approximately 0.18 Hong Kong cents for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately HKD581.7 million or earnings per share of approximately 15.15 Hong Kong cents) and the weighted average number of 3,840,000,000 ordinary shares (for the six months ended 30 June 2023: 3,840,000,000 ordinary shares) in issue.

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 June 2024 and 2023.

DIVIDENDS

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE LISTING RULES AND CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving a high standard of corporate governance, to protect interests, improve corporate value and accountability.

The Group has adopted the Listing Rules and the code provisions as set out in the corporate governance code contained in Appendix C1 thereto.

The Company has complied with the Listing Rules and all the code provisions of the Corporate Governance Code set out in Appendix C1 thereto throughout the six months ended 30 June 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Among other things, the Company periodically issues notices to its Directors reminding them the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group.

Having made specific enquiry with all Directors of the Company, the Company confirms that the Directors have complied with the required standards of dealings set out in the Model Code for the six months ended 30 June 2024 and throughout the period up to the date of this report.

DISCLOSURE OF INTEREST AS PER REGISTERS KEPT PURSUANT TO THE SFO

(a) Interests and Short Positions of Directors and the Chief Executive in the Shares, Underlying Shares or Debentures

As at 30 June 2024, none of the Directors or chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they will be taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to the Model Code relating to securities transactions by Directors to be notified to our Company and the Hong Kong Stock Exchange.

(b) Interests and Short Positions of Substantial Shareholders and Other Persons in the Shares or Underlying Shares

So far as is known to the Directors or chief executive of the Company, as at 30 June 2024, the following persons had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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 by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares ¹	Percentage of shareholdings
Sulfulon International Limited	Beneficial owner	1,310,000,000	34.11%
Mr. Zhang Yan ²	Interest of controlled corporation	1,566,800,000	40.80%
Ms. Zheng Xin ³	Interest of spouse	1,566,800,000	40.80%

Remarks:

1. All interests stated are long positions.
2. Mr. Zhang Yan is interested in approximately 40.80% of the total issued shares of the Company, i.e. 1,566,800,000 Shares, including:
 - i. 76,800,000 Shares owned as beneficial owner, representing approximately 2.00% of the issued share capital of the Company;
 - ii. 1,310,000,000 Shares, representing approximately 34.11% of the share capital of the Company. Mr. Zhang Yan is interested in the entire issued share capital of Sulfulon International Limited and he is therefore deemed to be interested in the Shares held by Sulfulon International Limited by virtue of the SFO;
 - iii. 180,000,000 Shares, representing approximately 4.69% of the share capital of the Company. Mr. Zhang Yan is interested in the entire issued share capital of Infinities Investment Pte. Ltd., which is wholly-owned by Infinities Super Holding Limited. Infinities Super Holding Limited is a company incorporated in the Cayman Islands with limited liability and is wholly-owned by Mr. Zhang Yan. Therefore, Mr. Zhang Yan is deemed to be interested in the Shares held by Infinities Investment Pte. Ltd. by virtue of the SFO.
3. Ms. Zheng Xin is the spouse of Mr. Zhang Yan and she is therefore deemed to be interested in the Shares held by Mr. Zhang Yan by virtue of the SFO.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the “**Share Option Scheme**”) conditionally adopted by our Company on 24 January 2016.

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The scheme is valid and effective for a period of ten years commencing from the date of adoption of the scheme.

Eligible participants of the Share Option Scheme include:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:
 - (aa) contribution to the development and performance of the Group;
 - (bb) quality of work performed for the Group;
 - (cc) initiative and commitment in performing his/her duties; and
 - (dd) length of service or contribution to the Group.

As at 30 June 2024, the total number of shares available for issue under the scheme is 192,000,000 Shares, representing 5% of the issued capital of the Company. The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of the Company but subsequently cancelled (the “**Cancelled Shares**”)) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular and the approval of the Shareholders in general meeting.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted.

Upon acceptance of an option to subscribe for shares granted pursuant to the scheme (the “**Option**”), the eligible participant shall pay HKD1.00 to the Company as consideration for the grant. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the Options, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 trading days immediately preceding the date of grant of the Options; and
- (iii) the nominal value of a Share.

No option has been granted as at 30 June 2024 and since the adoption of the scheme.

SHARE AWARD SCHEME

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 12 September 2018 to provide incentive to its employees, and to recognise the contribution made by long-serving employees with outstanding performance. Persons eligible to participate in the Share Award Scheme are all employees of the Group and there was no maximum entitlement of each participant under the Share Award Scheme. Shares under the Share Award Scheme were offered at nil consideration and no amount were payable on application or acceptance of the award.

On 12 September 2018, 8,496,000 Shares (after taking into account of the effect of the Company’s share subdivisions on 4 May 2021 and 19 August 2020) were granted to 47 employees of the Group, being the total number of Shares available for issue under the Share Award Scheme, and no further grants have been made since then. The granted Shares are unconditionally vested to the participants after their 3-year employment with the Group for the period from 12 September 2018 to 11 September 2021 and awards representing 1,128,000 Shares are cancelled as some of the participants’ employment with the Group ended before 11 September 2021.

The Share Award Scheme expired on 11 September 2021. For the six months ended 30 June 2024, no awards were granted, vested, lapsed or cancelled, and there were no outstanding or unvested awards.

COMPETING INTEREST

None of the Directors or the Controlling Shareholders or the substantial shareholders of the Company or their respective associates has any interest in any business which competed or may compete with the business of the Group during the reporting period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the Controlling Shareholders during the reporting period.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director had a material interest in, whether directly or indirectly, and subsisted as at 30 June 2024 or at any time during the reporting period.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

AUDIT COMMITTEE

We established the Audit Committee on 24 January 2016. The chairman of the Audit Committee is Mr. Tam Chik Ngai Ambrose, an independent non-executive Director, and other members include our independent non-executive Directors. The written terms of reference of the Audit Committee are published on the Main Board website and the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's unaudited financial statements for the six months ended 30 June 2024 have been reviewed by the Audit Committee. The Audit Committee is of the view that the preparation of the Group's unaudited financial statements for the six months ended 30 June 2024 complied with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

INTERNAL CONTROL

The Group is committed to the identification, monitoring and management of internal control risks associated with its business activities. As such, the Company has appointed a professional internal control consultant, Crowe (HK) Risk Advisory Limited (the "**Internal Control Consultant**"), to conduct an internal control review for the Group.

The main objective of the internal control review is to assess and identify significant weaknesses in the Group's relevant procedures, systems, and controls, and to report the results and make recommendations so as to improve the Group's internal control.

The scope of work of the internal control review is to assess the existing policies, procedures, or controls related to corporate governance and financial reporting cycles based on the internal control framework issued by the Committee of Sponsoring Organisations of the Treadway Commission, so as to identify weaknesses in relevant procedures, propose suggestions for improvement, and assess whether the Company has taken adequate remedial measures to rectify the deficiencies through internal control follow-up reviews within the Group.

Major Findings of Internal Control Review

The major findings regarding the significant deficiencies identified in the internal control review by the Internal Control Consultant, the corresponding corrective recommendations, the Company's responses, and the remedial situation are summarised as follows:

Independent Internal Control

Number	Purpose of the review	Main weaknesses of internal control	Rectification suggestions	The Company's response and remedial situation
1	To strengthen the integrity governance mechanism	<p>The standards of integrity and professional conduct for directors, management, and employees have to be strengthened.</p> <p>The conflict-of-interest declaration mechanism has to be enhanced.</p>	The Internal Control Consultant suggests that the Group distribute the Corporate Governance and Compliance Manual and the latest governance codes related to integrity and professional conduct standards to its directors, management, and employees upon onboarding and annually. Each of the personnel is required to sign a written declaration to commit to complying with the relevant terms.	The Company's management has established the Corporate Governance and Compliance Manual and the latest governance codes related to integrity, professional conduct standards, and the conflict-of-interest declaration mechanism, and requires all personnel to sign a written declaration to commit to complying with the relevant terms.

Number	Purpose of the review	Main weaknesses of internal control	Rectification suggestions	The Company's response and remedial situation
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Regarding the conflict-of-interest declaration mechanism, it is recommended that the requirements of declaring interest be further extended from the Company's directors to include the management and employees who have significant influence in the decision-making and operational approval processes of the Company and its subsidiaries. The Group should also require the personnel in the aforementioned positions to submit a conflict-of-interest declaration to the Company upon onboarding and at least annually. This shall help the Company establish a database for the personal interests of the aforementioned personnel based on the declared content, enabling the Company to obtain more comprehensive information to manage potential and actual conflicts of interest.

Number	Purpose of the review	Main weaknesses of internal control	Rectification suggestions	The Company's response and remedial situation
2	To improve and properly implement the business reporting mechanism	<p>Base-level employees are unable to report legal and operational risks and issues to the Board directly. Meanwhile, the Board primarily relies on the Chief Executive Officer of the Group to report on the Group's operational status at board meetings.</p> <p>The Corporate Governance and Compliance Manual currently does not explicitly specify the specific financial, operational, compliance, and other governance matters that the management must report to the Board in the monthly report, as well as the format of such reporting.</p>	<p>The Internal Control Consultant suggests establishing clear reporting thresholds and levels through quantitative and qualitative methods to clarify the financial, operational, compliance, and other significant matters that the management of subsidiaries need to report to the Board on a monthly basis. For example, transactions and projects exceeding a certain specified amount, or violations of individual players must be considered as significant matters, and the management of subsidiaries is responsible for reporting their execution and follow-up to the Board on a monthly basis.</p> <p>The specific financial, operational, compliance, and other governance matters that the management must report to the Board in the monthly report, as well as the format of such reporting should be clearly specified.</p>	The Board has approved the necessary monthly reporting procedures, laying the foundation for compliance with the corporate governance code. The Board will continue to monitor the ongoing and specific implementation and updates of these policies.

Number	Purpose of the review	Main weaknesses of internal control	Rectification suggestions	The Company's response and remedial situation
3	To improve the qualification assessment mechanism for directors and senior management	The Group should improve the onboarding and continuous assessment mechanisms for all directors and senior management personnel. The assessment content should at least cover their integrity, knowledge, skills, experience, and performance of duties, thereby continuously assessing the capabilities and integrity of directors and senior management personnel.	<p>The Internal Control Consultant suggests that the Group improve the onboarding and continuous assessment mechanisms of directors and senior management of the Company and its subsidiaries in the Corporate Governance and Compliance Manual and Terms of Reference of the Nomination Committee of the Board, including but not limited to:</p> <ul style="list-style-type: none"> • Specifying the responsibility of the Nomination Committee or other appropriate personnel to assess the aforementioned new hires and employees, including senior management personnel of the Company and its major subsidiaries; • Clarifying the assessment process and assessment criteria, including the capability and integrity of such personnel, to ensure that those holding the aforementioned key management positions have sufficient qualifications to support the Group's ongoing operations; and • All assessment results need to be documented in writing and kept properly. 	The Board has decided to approve, confirm, and rectify these policies in accordance with the Internal Control Consultant's suggestions and improve the onboarding and continuous assessment mechanisms of directors and senior management personnel of the Company and its subsidiaries, and implement them.

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

FOR THE SIX MONTHS ENDED 30 JUNE

	Notes	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Revenue	4	62,999	64,540
Direct costs		(10,783)	(11,979)
Gross profit		52,216	52,561
Other income	4	238	592,712
Change in fair values of financial assets at fair value through profit or loss		6,468	—
Distribution costs		(26,553)	(25,093)
Administrative expenses		(14,216)	(16,322)
Loss on disposal of subsidiary	18	—	(2,771)
Finance costs		(44)	(9,095)
Profit before income tax	5	18,109	591,992
Income tax expense	6	(4,046)	(4,352)
Profit for the period		14,063	587,640
Other comprehensive income: Item that may be reclassified subsequently to profit or loss — Exchange differences on translation of foreign operations		(4,581)	5,064
Other comprehensive income for the period		(4,581)	5,064
Total comprehensive income for the period		9,482	592,704
Profit for the period attributable to:			
Owners of the Company		6,766	581,728
Non-controlling interests		7,297	5,912
		14,063	587,640
Total comprehensive income attributable to:			
Owners of the Company		2,765	586,138
Non-controlling interests		6,717	6,566
		9,482	592,704
		HKD cents	HKD cents
Earnings per share			
Basic and diluted	8	0.18	15.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	As at 30 June 2024 HKD'000 (unaudited)	As at 31 December 2023 HKD'000 (audited)
Non-current assets			
Property, plant and equipment	9	2,636	5,077
Intangible assets	10	26,679	15,350
Right-of-use assets	11	1,647	1,172
Financial assets at fair value through profit or loss		34,165	27,511
Deposits		76	84
Deferred tax assets		2,121	2,170
		67,324	51,364
Current assets			
Trade receivables	12	16,236	20,645
Prepayments, deposits and other receivables		7,012	3,372
Cash and cash equivalents	13	61,831	85,492
		85,079	109,509
Current liabilities			
Other payables and accruals	14	3,029	12,663
Deferred revenue	15	991	11
Lease liabilities	11	1,391	708
Tax payables		2,566	4,923
		7,977	18,305
Net current assets		77,102	91,204
Total assets less current liabilities		144,426	142,568

	Notes	As at 30 June 2024 HKD'000 (unaudited)	As at 31 December 2023 HKD'000 (audited)
Non-current liabilities			
Lease liabilities	11	298	507
Deferred tax liabilities		1,739	1,740
		2,037	2,247
Net assets			
		142,389	140,321
Equity			
Share capital	16	3,200	3,200
Reserves		130,637	127,872
Total equity attributable to owners of the Company		133,837	131,072
Non-controlling interests		8,552	9,249
Total equity		142,389	140,321

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company											
	Share capital	Share premium*	Capital reserve*	Merger reserve*	Statutory reserve*	Share based payment reserve*	Foreign exchange reserve*	Retained profits*	Total	Non-controlling interests	Total equity	
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	
For the six months ended												
30 June 2023 (unaudited)												
As at 1 January 2023	3,200	41,782	17,220	13,800	379	3,310	535	(510,235)	(430,009)	8,755	(421,254)	
Profit for the period	—	—	—	—	—	—	—	581,728	581,728	5,912	587,640	
Other comprehensive income for the period:												
— Exchange differences on translation of foreign operations	—	—	—	—	—	—	4,410	—	4,410	654	5,064	
Total comprehensive income for the period	—	—	—	—	—	—	4,410	581,728	586,138	6,566	592,704	
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(7,727)	(7,727)	
Disposal of a subsidiary (note 18)	—	—	—	—	—	—	—	—	—	3,041	3,041	
As at 30 June 2023	3,200	41,782	17,220	13,800	379	3,310	4,945	71,493	156,129	10,635	166,764	
For the six months ended												
30 June 2024 (unaudited)												
As at 1 January 2024	3,200	41,782	17,220	13,800	379	3,310	1,705	49,676	131,072	9,249	140,321	
Profit for the period	—	—	—	—	—	—	—	6,766	6,766	7,297	14,063	
Other comprehensive income for the period:												
— Exchange differences on translation of foreign operations	—	—	—	—	—	—	(4,001)	—	(4,001)	(580)	(4,581)	
Total comprehensive income for the period	—	—	—	—	—	—	(4,001)	6,766	2,765	6,717	9,482	
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(7,414)	(7,414)	
As at 30 June 2024	3,200	41,782	17,220	13,800	379	3,310	(2,296)	56,442	133,837	8,552	142,389	

* The aggregate balances of the reserve amounts of approximately HKD130,637,000 are included as reserves as at 30 June 2024 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	2024 <i>HKD'000</i> (unaudited)	2023 <i>HKD'000</i> (unaudited)
Net cash used in operating activities	(2,989)	(7,731)
Net cash used in investing activities	(11,481)	(7,330)
Net cash used in financing activities	(7,921)	(8,674)
Net decrease in cash and cash equivalents	(22,391)	(23,735)
Cash and cash equivalents at beginning of period	85,492	119,544
Effect of foreign exchange rate changes	(1,270)	6,576
Cash and cash equivalents at end of period	61,831	102,385

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. GENERAL INFORMATION

Fire Rock Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 3 November 2014. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 20 Science Park Road, #02–25 Teletech Park, Singapore 117674.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation, on the basis of licensing self-developed browser and mobile games to licensed operators around the world (“**Game Development**”), assist the third parties in promoting game-related business and provide intellectual property rights licensing services to enterprises (“**Game Publishing and Operation**”). The Group also self-operates self-developed game products in overseas markets.

The condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months ended 30 June 2024, as well as a summary of significant accounting policies and other explanatory information (collectively, the “**Interim Condensed Financial Statements**”) are unaudited, but have been reviewed by the audit committee of the Company and approved for issue by the board of directors on 23 August 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Interim Condensed Financial Statements for the six months ended 30 June 2024 has been prepared in accordance with the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are effective for the Group’s financial year beginning 1 January 2024, the accounting policies applied in preparing this unaudited Interim Condensed Financial Statements for the six months ended 30 June 2024 are consistent with those of the annual financial statements for the year ended 31 December 2023 issued by the Company on 28 March 2024, as described in those annual financial statements except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024. The adoption of the new or amended HKFRSs in the current interim period has no impact on the Group’s Interim Condensed Financial Statements. The Interim Condensed Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

(b) Basis of measurement

The unaudited Interim Condensed Financial Statements has been prepared on the historical cost basis, as modified by the revaluation of certain financial assets which are held at fair value.

3. SEGMENT INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions.

For the six months ended 30 June 2024 and 2023, the Group has two reportable segments. These segments are managed separately as each business offers different products and services which require different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Game and software development and publishing
- Game operation and publishing — mobile game operation and/or publishing for earning game operation income

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Revenue from customers:		
Game and software development and publishing	22	265
Game operation and publishing	62,977	64,275
	62,999	64,540

Certain corporate income and expenses are not allocated to the operating segments as they are not included in the measurement of the segment's profit that is used by the chief operating decision-maker for assessment of segment performance.

Information regarding the Group's reportable segments for the six months ended 30 June 2024 and 2023 is set out below.

For the six months ended 30 June 2024

	Game and software development and publishing <i>HKD'000</i> (unaudited)	Game operation and publishing <i>HKD'000</i> (unaudited)	Total <i>HKD'000</i> (unaudited)
Revenue from external customers	22	62,977	62,999
Reportable segment (loss)/profit	(6,661)	21,556	14,895
Interest income	3	40	43
Finance costs	30	14	44
Depreciation	648	207	855
Additions to non-current assets	144	59	203

As at 30 June 2024

	Game and software development and publishing <i>HKD'000</i> (unaudited)	Game operation and publishing <i>HKD'000</i> (unaudited)	Total <i>HKD'000</i> (unaudited)
Reportable segment assets	102,044	32,477	134,521
Reportable segment liabilities	4,154	5,800	9,954

For the six months ended 30 June 2023

	Game and software development and publishing <i>HKD'000</i> (unaudited)	Game operation and publishing <i>HKD'000</i> (unaudited)	Total <i>HKD'000</i> (unaudited)
Revenue from external customers	265	64,275	64,540
Reportable segment (loss)/profit	(6,987)	17,408	10,421
Interest income	15	47	62
Finance costs	22	5	27
Depreciation	1,351	272	1,623
Additions to non-current assets	112	56	168

As at 31 December 2023			
	Game and software development and publishing <i>HKD'000</i> (audited)	Game operation and publishing <i>HKD'000</i> (audited)	Total <i>HKD'000</i> (audited)
Reportable segment assets	104,321	41,646	145,967
Reportable segment liabilities	5,773	13,096	18,869

Reconciliation of reportable segment profit, assets and liabilities:

For the six months ended 30 June		
	2024 <i>HKD'000</i> (unaudited)	2023 <i>HKD'000</i> (unaudited)
<i>Profit before income tax</i>		
Reportable segment profit	14,895	10,421
Unallocated interest income	8	27
Unallocated corporate profit	3,206	581,544
Consolidated profit before income tax	18,109	591,992
	As at 30 June 2024 <i>HKD'000</i> (unaudited)	As at 31 December 2023 <i>HKD'000</i> (audited)
<i>Assets</i>		
Reportable segment assets	134,521	145,967
Unallocated corporate assets	17,882	14,906
Consolidated total assets	152,403	160,873
<i>Liabilities</i>		
Reportable segment liabilities	9,954	18,869
Unallocated corporate liabilities	60	1,683
Consolidated total liabilities	10,014	20,552

(b) Disaggregation of revenue from customers by geographic market and timing of revenue

The Company is an investment holding company incorporated in the Cayman Islands and the principal place of the Group's operation is the Asia Pacific. Accordingly, management determines that the Group is domiciled in the Asia Pacific.

In the following table, revenue is disaggregated by primary geographical markets and the timing of revenue recognition.

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Primary geographical markets*		
Asia Pacific	62,999	64,540

* Based on the location of licensed operators and game operation.

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Timing of revenue recognition		
At a point in time	62,999	64,540

	As at 30 June 2024 HKD'000 (unaudited)	As at 31 December 2023 HKD'000 (audited)
Non-current assets		
Thailand	1,421	1,733
People's Republic of China (the "PRC")	4,616	622
Hong Kong	691	857
Singapore	24,310	18,471
	31,038	21,683

Note: Non-current assets exclude financial instruments.

(c) Information about major licensed operators

There was no revenue from customers individually contributing over 10% to the total revenue of the Group for the six months ended 30 June 2024.

4. REVENUE AND OTHER INCOME

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Revenue		
Game and software development and publishing	22	265
Game operation and publishing	62,977	64,275
	62,999	64,540
Other income		
Interest income	51	89
Government grants	—	211
Exchange (loss)/gain, net	(65)	17,524
Surrender of Promissory notes	—	574,716
Others	252	172
	238	592,712

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Depreciation of plant and equipment*	576	442
Depreciation of right-of-use assets*	444	552
Interest expense on promissory notes	—	8,231
Imputed interest expenses on promissory notes	—	837
Interest expense on lease liabilities	44	27
Exchange loss/(gain), net	65	(17,524)
Employee costs (including directors' remuneration)	8,279	7,371

* Included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Current period — Thailand Corporate Income Tax ("CIT")		
— Tax for the period	4,046	4,352

No Hong Kong Profits Tax was provided as the Group has no estimated assessable profits derived from or arising in Hong Kong during the six months ended 30 June 2024 and 2023.

No Singapore Corporate Income Tax was provided as the Group has no estimated assessable profits derived from or arising in Singapore during the six months ended 30 June 2024 and 2023.

Provision for the EIT in the PRC is calculated at the statutory tax rate of 25% of the estimated assessable profits in accordance with the relevant income tax law of the PRC.

No EIT in the PRC was provided as the Group has no estimated assessable profits derived or arising in the PRC during the six months ended 30 June 2024 and 2023.

Firerock Co., Ltd. is a subsidiary incorporated in Thailand and its assessable profits are taxed at 20% for the six months ended 30 June 2024 and 2023.

Under Thailand CIT law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprise established in Thailand.

7. DIVIDENDS

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

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HKD6,766,000 (for the six months ended 30 June 2023: approximately HKD581,728,000) and the weighted average number of 3,840,000,000 ordinary shares (for the six months ended 30 June 2023: 3,840,000,000 ordinary shares) in issue during the period.

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 June 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2024, the Group incurred additions to property, plant and equipment of HKD203,000 (six months ended 30 June 2023: approximately HKD168,000).

10. INTANGIBLE ASSETS

For the six months ended 30 June 2024, additional development costs of approximately HKD11,329,000 (for the six months ended 30 June 2023: approximately HKD7,419,000).

11. LEASE

Right-of-use assets

During the six months ended 30 June 2024, the Group entered into a new lease agreement in the PRC (30 June 2023: Nil).

Lease liabilities

	As at 30 June 2024		As at 31 December 2023	
	Present value of minimum lease payment HKD'000 (unaudited)	Total minimum lease payment HKD'000 (unaudited)	Present value of minimum lease payment HKD'000 (audited)	Total minimum lease payment HKD'000 (audited)
Maturity analysis:				
Within 1 year	1,391	1,446	708	811
After 1 year but within 2 years	298	313	507	481
After 2 years but within 5 years	—	—	—	—
	1,689	1,759	1,215	1,292
Less: Interest		(70)		(77)
		1,689		1,215
Analysed as:				
Non-current		298		507
Current		1,391		708
		1,689		1,215

12. TRADE RECEIVABLES

The Group allows credit period within 30 days to its third party game distribution platforms and payment channels. The aging analysis of trade receivables at the end of the reporting period, based on invoice date is as follows:

	As at 30 June 2024 HKD'000 (unaudited)	As at 31 December 2023 HKD'000 (audited)
0–30 days	10,005	10,486
31–60 days	4,586	8,192
61–90 days	41	47
91–180 days	104	1,629
181–365 days	1,500	291
	16,236	20,645

No impairment allowance under the expected credit losses approach was provided as the management considered that there has not been a significant change in credit quality based on historical experience and the impairment allowance has no significant financial impact on the Group's trade receivables as at 30 June 2024 and 31 December 2023.

The Group does not hold any collateral over these balances.

13. CASH AND CASH EQUIVALENTS

	As at 30 June 2024 HKD'000 (unaudited)	As at 31 December 2023 HKD'000 (audited)
Cash at banks and in hand	61,831	85,492

Cash at banks earns interest at floating rate based on daily bank deposit rates.

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

14. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2024 HKD'000 (unaudited)	As at 31 December 2023 HKD'000 (audited)
Accruals	1,995	11,210
Other tax payables	1,034	1,453
	3,029	12,663

15. DEFERRED REVENUE

Deferred revenue represented unamortised portion of revenue received in respect of in-game purchase paid by the paying players in the Group's game operation segment. Deferred revenue is classified as contract liability under HKFRS 15 "Revenue from Contracts with Customers".

16. SHARE CAPITAL

	Number of shares	Amount HKD'000
Authorised: At 31 December 2023, 1 January 2024 and 30 June 2024	24,000,000,000	20,000
Issued and fully paid: At 31 December 2023, 1 January 2024 and 30 June 2024	3,840,000,000	3,200

17. RELATED PARTY TRANSACTIONS

Emoluments of key management personnel

Emoluments paid or payable to members of the key management personnel, who are directors, the chief executive officer and senior management, for their service are set out below:

	For the six months ended 30 June	
	2024 HKD'000 (unaudited)	2023 HKD'000 (unaudited)
Salaries, allowances and benefits in kind	1,545	1,095
Contributions to defined contribution retirement plan	45	44
	1,590	1,139

18. DISPOSAL OF A SUBSIDIARY

On 6 March 2023, the Group disposed its entire equity interest in Lord Metaverse Co., Ltd. ("**Lord Metaverse**"), a subsidiary of the Group, at a cash consideration of THB810,000 (approximately HKD185,000).

The following summarises the net liabilities of the Lord Metaverse at the date of the Disposal and gain on disposal of subsidiaries:

Analysis of assets and liabilities of Lord Metaverse at the date of disposal were as follows:

	HKD'000
Property, plant and equipment	—
Bank balances and cash	100
Other payables	(6)
Amount due to the Group	(5,203)
Net liabilities	(5,109)
Release of foreign exchange reserve	(179)
Release of non-controlling interests	3,041
Waiver of receivables from the disposal group	5,203
Loss on disposal of Lord Metaverse	(2,771)
Total consideration satisfied by cash	185

An analysis of the cash flows in respect of the Disposal is as follows:

	<i>HKD'000</i>
Cash outflow arising on disposal of subsidiary:	
Cash and bank balances disposed of	(100)

19. EVENTS AFTER THE REPORTING PERIOD

Apart from the events as disclosed elsewhere in this report, there have been no other material events occurring after the reporting period and up to the date of this report.

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

Hong Kong, Friday, 23 August 2024

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