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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: 8345)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Fire Rock Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS (UNAUDITED)

- For the six months ended 30 June 2018, the Group’s revenue increased approximately 88.6% from approximately RMB34.1 million for the six months ended 30 June 2017 to approximately RMB64.3 million.
- For the six months ended 30 June 2018, the Group’s gross profit increased approximately 92.2% from approximately RMB29.3 million for the six months ended 30 June 2017 to approximately RMB56.3 million.
- For the six months ended 30 June 2018, the Group’s profit increased approximately 72.4% from approximately RMB21.4 million for the six months ended 30 June 2017 to approximately RMB36.9 million.
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2018 (Six months ended 30 June 2017: HK\$0.15 (approximately RMB0.129) per share).

INTERIM RESULTS (UNAUDITED)

The board of Directors (the “**Board**”) of the Company hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2018 (the “**Reporting Period**”) together with the comparative figures for the six months ended 30 June 2017 (the “**Corresponding Period in 2017**”). Such results have been reviewed by the audit committee of the Company.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE

| | <i>Notes</i> | 2018 RMB (unaudited) | 2017 RMB (unaudited) |
|--|--------------|---|---|
| Revenue | 4 | 64,320,089 | 34,105,396 |
| Direct costs | | <u>(8,032,666)</u> | <u>(4,837,123)</u> |
| Gross profit | | 56,287,423 | 29,268,273 |
| Other income | 4 | 660,008 | 262,575 |
| Game research costs | | (300,085) | (266,662) |
| Distribution costs | | (401,141) | (323,562) |
| Administrative expenses | | <u>(8,085,617)</u> | <u>(4,538,263)</u> |
| Operating profit | | 48,160,588 | 24,402,361 |
| Share of loss investments accounted for using equity accounting | | <u>(32,895)</u> | — |
| Profit before income tax | 5 | 48,127,693 | 24,402,361 |
| Income tax expense | 6 | <u>(11,188,359)</u> | <u>(3,048,068)</u> |
| Profit for the period | | 36,939,334 | 21,354,293 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| — Exchange differences on translation of foreign operations | | <u>(297,092)</u> | <u>(724,706)</u> |
| Other comprehensive income for the period | | <u>(297,092)</u> | <u>(724,706)</u> |
| Total comprehensive income for the period | | <u>36,642,242</u> | <u>20,629,587</u> |
| Profit for the period attributable to: | | | |
| Owners of the Company | | 36,952,070 | 21,354,293 |
| Non-controlling interests | | <u>(12,736)</u> | — |
| | | <u>36,939,334</u> | <u>21,354,293</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 36,655,036 | 20,629,587 |
| Non-controlling interests | | <u>(12,794)</u> | — |
| | | <u>36,642,242</u> | <u>20,629,587</u> |
| Earnings per share | | RMB cents | RMB cents |
| Basic and diluted | 8 | <u>21.99</u> | <u>13.35</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 30 June 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|---|----|---|---|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,583,824 | 1,746,442 |
| Intangible assets | 10 | 9,203,767 | 8,040,339 |
| Investments accounted for using equity method | 11 | 3,143,677 | — |
| | | 13,931,268 | 9,786,781 |
| Current assets | | | |
| Trade receivables | 12 | 33,922,808 | 28,881,795 |
| Prepayments, deposits and other receivables | | 939,474 | 2,101,559 |
| Short-term bank deposits | 13 | — | 10,000,000 |
| Cash and cash equivalents | 13 | 105,040,420 | 78,533,972 |
| | | 139,902,702 | 119,517,326 |
| Current liabilities | | | |
| Other payables and accruals | 14 | 2,498,474 | 2,890,919 |
| Deferred revenue | 15 | 1,854,529 | 2,212,211 |
| Dividend payables | | 835,910 | 451,391 |
| Tax payables | | 4,370,905 | 2,443,991 |
| | | 9,559,818 | 7,998,512 |
| Net current assets | | 130,342,884 | 111,518,814 |
| Total assets less current liabilities | | 144,274,152 | 121,305,595 |
| Non-current liabilities | | | |
| Deferred revenue | 15 | 273,332 | 844,307 |
| Deferred tax liabilities | | 7,400,000 | 4,000,000 |
| | | 7,673,332 | 4,844,307 |
| Net assets | | 136,600,820 | 116,461,288 |
| Equity | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 16 | 2,669,060 | 1,347,236 |
| Reserves | | 133,924,464 | 115,114,052 |
| | | 136,593,524 | 116,461,288 |
| Non-controlling interests | | 7,296 | — |
| Total equity | | 136,600,820 | 116,461,288 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in the People’s Republic of China (the “**PRC**”) is located at 4/F, Dongjiang Environment Building, No. 9 Langshan Road, North Zone, Hi-Tech Industries Park, Nanshan District, Shenzhen, Guangdong Province, the PRC. The Company was listed on GEM of the Stock Exchange of Hong Kong Limited on 18 February 2016.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in browser and mobile games development, including the game design, programming and graphics and licensing of its games in the PRC and overseas markets.

The condensed consolidated statement of financial position as at 30 June 2018, 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 of the Group for the six months ended 30 June 2018, 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 10 August 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Except for the adoption of 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 2017, the accounting policies applied in preparing this unaudited Interim Condensed Financial Statements for the six months ended 30 June 2018 are consistent with those of the annual financial statements for the year ended 31 December 2017 issued by the Company on 26 March 2018, 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 2018. The Interim Condensed Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

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

The interim condensed financial statements has been prepared on the historical cost basis. The Interim Condensed Financial Statements are presented in Renminbi (“**RMB**”) except when otherwise indicated.

3. SEGMENT INFORMATION

(a) Reportable Segments

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance, is the financial information of the Group as a whole as reported under HKFRSs. Such information does not contain profit or loss information of particular product or service line or geographical area. Therefore, the executive directors of the Company have determined that the Group has only one single reportable segment which is browser and mobile games development for earning license fees and royalties from licensed operators. The executive directors of the Company allocate resources and assess performance on an aggregated basis.

(b) Geographic Information

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

The Group's revenue from licensed operators and information about its non-current assets by geographical location are detailed below:

| | Revenue from licensed operators | |
|-----------------------------|---|--------------------|
| | For the six months ended 30 June | |
| | 2018 | 2017 |
| | RMB | RMB |
| | (unaudited) | (unaudited) |
| The PRC (place of domicile) | 63,863,306 | 32,607,003 |
| North America | — | 143,722 |
| Japan | 240,227 | 840,039 |
| Taiwan | 62,851 | 141,742 |
| Germany | 153,705 | 372,890 |
| | 64,320,089 | 34,105,396 |

Revenue from major licensed operators, each of them accounted for 10% or more of the revenue of the Group, are set out below:

| | For the six months ended 30 June | |
|---------------------|---|--------------------|
| | 2018 | 2017 |
| | RMB | RMB |
| | (unaudited) | (unaudited) |
| Licensed operator A | 52,432,767 | 15,896,113 |
| Licensed operator B | 7,365,321 | 5,143,187 |
| | 59,798,088 | 21,039,300 |

4. REVENUE AND OTHER INCOME

| | For the six months ended 30 June | |
|----------------------------|----------------------------------|-------------------|
| | 2018 | 2017 |
| | <i>RMB</i> | <i>RMB</i> |
| | (unaudited) | (unaudited) |
| Revenue | | |
| License fees and royalties | <u>64,320,089</u> | <u>34,105,396</u> |
| Other income | | |
| Interest income | <u>660,008</u> | <u>262,575</u> |

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

| | For the six months ended 30 June | |
|--|----------------------------------|----------------|
| | 2018 | 2017 |
| | <i>RMB</i> | <i>RMB</i> |
| | (unaudited) | (unaudited) |
| Depreciation of plant and equipment* | 522,550 | 359,271 |
| Amortisation of intangible assets** | 3,018,734 | 2,808,925 |
| Operating lease rentals in respect of land and buildings | 1,257,042 | 918,565 |
| Operating lease rentals in respect of servers | 149,905 | 139,329 |
| Exchange loss, net | <u>176,652</u> | <u>722,410</u> |

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

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

6. INCOME TAX EXPENSE

| | For the six months ended 30 June | |
|-----------------------------------|----------------------------------|------------------|
| | 2018 | 2017 |
| | <i>RMB</i> | <i>RMB</i> |
| | (unaudited) | (unaudited) |
| PRC Enterprise Income Tax (“EIT”) | 7,788,359 | 3,048,068 |
| Deferred tax | <u>3,400,000</u> | <u>—</u> |
| | <u>11,188,359</u> | <u>3,048,068</u> |

No Hong Kong Profits Tax was provided as the Group has no estimated assessable profit derived from or arising in Hong Kong during the six months ended 30 June 2018 and 2017.

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.

On 29 September 2013, Shenzhen Fire Element Network Technology Co., Ltd (“**Shenzhen Fire Element**”) was qualified as an enterprise of Software and Integrated Circuit Industries (軟體產業和積體電路產業) in the PRC and is exempted from EIT for two years starting from the first year of generating assessable profits, followed by a 50% reduction for the next three years on 5 August 2014. Shenzhen Fire Element started generating taxable profit during the year ended 31 December 2013 and therefore is exempted from EIT for the years ended 31 December 2013 and 2014. For the years ended 31 December 2015 and 2016 and for six months ended 30 June 2017, Shenzhen Fire Element enjoyed a reduced EIT rate of 12.5% as a 50% reduction on the statutory tax rate. The certification of software enterprise has been cancelled by the State Council of the PRC on 24 February 2015, but the aforementioned EIT preferential treatment related to certified software enterprise is still valid for now.

Shenzhen Fire Element was qualified as a “Hi-Tech Enterprise” (“**Hi-Tech Enterprise**”). Pursuant to the PRC EIT Law, it is subject to a preferential rate of 15%. Therefore, the effective income tax rate of Shenzhen Fire Element for the six months ended 30 June 2018 was 15%.

Pursuant to the PRC EIT Law, a 10% withholding tax (unless reduced by tax treaties or arrangements) is levied on dividends declared to foreign investors from the foreign investment enterprise established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007.

7. DIVIDENDS

On 22 June 2018, the Company paid a final dividend for 2017, in form of Hong Kong Dollars (“**HK\$**”) HK\$20.0 million (equivalent to approximately RMB16.5 million) in cash (or HK\$0.125 (approximately RMB0.103) per share) and 160,000,000 bonus shares on the basis of 1 share for every share held to the shareholders listed on the register of members of the Company as at 8 June 2018 (note 16).

Save as disclosed above, the Board does not recommend the payment of any interim dividend for the six months ended 30 June 2018 (Six months ended 30 June 2017: HK\$0.15 (approximately RMB0.129) per share).

8. EARNINGS PER SHARE

For the six months ended 30 June 2018, the calculation of earnings per share is based on the profit attributable to owners of the Company for the period of approximately RMB36.9 million and the weighted average number of 167,955,800 ordinary shares outstanding during the period.

For the six months ended 30 June 2017, the calculation of earnings per share is based on the profit attributable to owners of the Company for the period of approximately RMB21.4 million and the weighted average number of 160,000,000 ordinary shares outstanding 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 2018 and 2017.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2018, purchases of related equipment by the Group was RMB0.4 million (for the six months ended 30 June 2017: approximately RMB0.6 million).

10. INTANGIBLE ASSETS

For the six months ended 30 June 2018, additional development cost of the Group was approximately RMB4.2 million (for the six months ended 30 June 2017: RMB3.4 million).

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

| | As at 30 June 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|----------------------------|---|---|
| At beginning of the period | — | — |
| Increase during the period | 3,176,572 | — |
| Share of loss | (32,895) | — |
| | <u>3,143,677</u> | <u>—</u> |
| At end of the period | <u>3,143,677</u> | <u>—</u> |

| Name | Principle business | Place of registration | Place of operation | Percentage of interest held as at 30 June 2018 | Percentage of interest held as at 31 December 2017 | Measuring method |
|-----------------------|-----------------------|-----------------------|--------------------|--|--|-------------------|
| Newbie Media Co., Ltd | Technology consulting | Bangkok | Bangkok | 45.0 | — | Equity accounting |

12. TRADE RECEIVABLES

The Group allows credit period within 120 days to its licensed operators. The aging analysis of trade receivables at the end of the reporting period, based on invoice date is as follows:

| | As at 30 June 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|--------------------|---|---|
| 0–30 days | 12,372,399 | 11,602,300 |
| 31–60 days | 10,920,840 | 8,285,209 |
| 61–90 days | 9,883,195 | 7,782,952 |
| 91–120 days | 194,625 | 304,147 |
| More than 120 days | 551,749 | 907,187 |
| | <u>33,922,808</u> | <u>28,881,795</u> |

The following table sets forth the aging analysis of trade receivables which are past due but not impaired:

| | As at 30 June 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|---|---|---|
| Neither past due nor impaired | 33,371,059 | 27,974,608 |
| Past due for less than 30 days | 179,714 | 110,368 |
| Past due for more than 30 days but less than 60 days | 83,488 | 357,875 |
| Past due for more than 60 days but less than 120 days | 56,497 | 273,978 |
| Past due for more than 120 days but less than 1 year | 229,403 | 162,893 |
| Past due for more than 1 year | 2,647 | 2,073 |
| | <u>33,922,808</u> | <u>28,881,795</u> |

Receivables that were neither past due nor impaired related to licensed operators for whom there was no recent history of default. Receivables that were past due but not impaired related to other licensed operators with long business relationship. No impairment allowance was provided as there has not been a significant change in credit quality based on historical experience. Also, the Group determine that there are no significant financial impact arising from the adoption of expected credit loss approach under HKFRS 9 for all trade and other receivables as at 30 June 2018.

The Group does not hold any collateral over these balances.

13. SHORT-TERM BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

| | As at 30 June 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|---|---|---|
| Cash at banks and in hand | 38,178,420 | 40,841,745 |
| Short-term bank deposits with original maturity of less than three months | <u>66,862,000</u> | <u>37,692,227</u> |
| Cash and cash equivalents | 105,040,420 | 78,533,972 |
| Short-term bank deposits with original maturity of more than three months | <u>—</u> | <u>10,000,000</u> |
| | <u>105,040,420</u> | <u>88,533,972</u> |

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 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|----------------|---|---|
| Accruals | 1,914,198 | 1,935,675 |
| Other payables | 584,276 | 955,244 |
| | <u>2,498,474</u> | <u>2,890,919</u> |

15. DEFERRED REVENUE

| | As at 30 June 2018 <i>RMB</i> (unaudited) | As at 31 December 2017 <i>RMB</i> (audited) |
|-----------------------|---|---|
| Deferred license fees | | |
| — Current | 1,854,529 | 2,212,211 |
| — Non-current | 273,332 | 844,307 |
| | <u>2,127,861</u> | <u>3,056,518</u> |

Deferred license fees are received from licensed operators for obtaining the exclusive rights granted to them to operate the Group's self-developed games. The license fees are recognised on a straight-line basis over the exclusive period.

As at 30 June 2018 and 31 December 2017, deferred revenue included in non-current liabilities was expected to be recognised as license fees and royalties within two years commencing from the end of the reporting period.

16. SHARE CAPITAL

| | 2018 | Amount |
|---|--------------------|------------------|
| | Number | <i>RMB</i> |
| Authorised: | | |
| Ordinary shares of HK\$0.01 each | | |
| At 1 January 2017, 31 December 2017 and 30 June 2018 | <u>500,000,000</u> | <u>4,199,383</u> |
| Issued and fully paid: | | |
| Ordinary shares of HK\$0.01 each | | |
| At 1 January 2017 and 31 December 2017 (<i>audited</i>) | 160,000,000 | 1,347,236 |
| Issuance of bonus shares (<i>Note</i>) | <u>160,000,000</u> | <u>1,321,824</u> |
| At 30 June (<i>unaudited</i>) | <u>320,000,000</u> | <u>2,669,060</u> |

Note:

On 22 June 2018, the Company issued 160,000,000 bonus shares to the shareholders listed on the register of members of the Company as at 8 June 2018 on the basis of 1 bonus share for every share held (note 7).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are a game developer focused on the development of browser and mobile games. As of 30 June 2018, we have commercially launched 16 self-developed game series in aggregate, including the mobile and browser versions of the Kings & Legends (王者召喚) series, the mobile and browser versions of the Hero's Crown (英雄皇冠) series, the browser version of the Heroines of Three Kingdoms (姬戰三國) series, the mobile version of the Endless Battles (無盡爭霸) series, the mobile version of the Legend of Fairies (萌仙記) series, the mobile version of the Road of Vengeance (復仇之路) series, the mobile version of the Number Drop series, the mobile version of the G-game series, the mobile version of the Sweeties Fighting (零食大亂鬥) series, the mobile version of War of the Sulfulons (薩弗隆戰記) series, the mobile version of the Super Tycoon (超級大亨) series, the mobile version of the Forest Gala (森林大聯歡) series, the mobile version of the Fish Catching Contest (捕魚大亂鬥) series, the mobile version of the Super Cute Monster (超級逗萌獸) series, the mobile version of the Super Rich (超級大富翁) series and the mobile version of the Age of Star Wars (星戰紀) series.

Among the aforesaid game series with successful commercial launch, the Kings & Legends (王者召喚) series, magical and fantasy-based tactics card games in Japanese style representing our first independently developed game series, has been in the market for 6 years since its commercial launch in March 2012. Its longer-than-average life cycle has been primarily attributable to our incessant effort in upgrading and optimising the game contents to appeal to players, increase their participation and enhance their game experience, which have also resulted in stable income for us. For the six months ended 30 June 2018, revenue generated from the Kings & Legends (王者召喚) series maintained its important position in our game portfolio, accounting for approximately 2.6% of our total revenue for the Reporting Period. The Hero's Crown (英雄皇冠) series, turn-based tactics card RPG games in fantasy-style against a medieval European setting representing our second independently developed game series, has continued to contribute substantial income since its commercial launch in January 2015 more than 3 years ago. For the six months ended 30 June 2018, revenue generated from the Hero's Crown (英雄皇冠) series accounted for approximately 4.5% of our total revenue for the Reporting Period. The mobile version of the Sweeties Fighting (零食大亂鬥) series, a cartoon-style tower defense game commercially launched in May 2017, reported revenue of approximately RMB25.1 million for the six months ended 30 June 2018, accounting for approximately 39.1% of our total revenue for the Reporting Period. The mobile version of the Fish Catching Contest (捕魚大亂鬥) series, a magical and fantasy-based hunting game commercially launched in December 2017, reported revenue of approximately RMB24.6 million for the six months ended 30 June 2018, accounting for approximately 38.2% of our total revenue for the Reporting Period. The success of the aforementioned game series has highlighted our emphasis on meticulous attention to details in product development and our research and development capabilities in delivering exquisite games, and has also bolstered our confidence in sustaining our

operations through ongoing optimisation and upgrades of our premium games. Such success has also reflected the breakthrough we have achieved in the increasingly competitive market for mobile games and a greater market share we garnered thanks to our astute perception of and swift response to market developments, proactive approach to understand current trends and formulate lucid development strategies, and effort to seize opportunities in market developments on the back of our inherent strengths by committing significant resources to the research and development of mobile games.

In terms of financial performance, the Group's revenue for the six months ended 30 June 2018 amounted to approximately RMB64.3 million, increasing by RMB30.2 million compared to approximately RMB34.1 million for the six months ended 30 June 2017. Revenue generated from browser games and mobile games amounted to approximately RMB2.4 million and approximately RMB61.9 million, respectively, decreasing by 72.1% and increasing by 142.7%, respectively, as compared to approximately RMB8.6 million and approximately RMB25.5 million, respectively, for the same period of 2017. Revenue generated from mobile games accounted for 96.3% of the Group's revenue. Profit attributable to the equity owners of the Company amounted to approximately RMB36.9 million for the six months ended 30 June 2018, increasing by RMB15.5 million from approximately RMB21.4 million for the six months ended 30 June 2017.

In terms of game products, two mobile games, the Super Rich (超級大富翁) and the Age of Star Wars (星戰紀), were commercially launched in February 2018 and June 2018 in a further enrichment of our portfolio of games. The Endless Battles (無盡爭霸) series, an idle game based on stories of the Three Kingdoms commercially launched in February 2016, was terminated and removed from the platforms of game operators in April 2018 following consultation with the game operators, owing to its unsatisfactory overall performance.

As at 30 June 2018, there were 15 game series under licenses to game operators for operation, launch and distribution (namely, in operation) within an agreed period in designated territories.

For the six months ended 30 June 2018, revenues generated by our 5 leading game series in monetary amounts and as a percentage of total revenue are set out as follows: the mobile version of the Sweeties Fighting (零食大亂鬥) series commercially launched in May 2017 reported revenue of approximately RMB25.1 million for the six months ended 30 June 2018, accounting for approximately 39.1% of our total revenue; the mobile version of the Fish Catching Contest (捕魚大亂鬥) series commercially launched in December 2017 reported revenue of approximately RMB24.6 million for the six months ended 30 June 2018, accounting for approximately 38.2% of our total revenue; the Hero's Crown (英雄皇冠) series commercially launched in its browser version in January 2015 and in its mobile version in February 2016, the mobile and browser versions of Hero's Crown (英雄皇冠) series reported revenue of approximately RMB2.9 million for the six months ended 30 June 2018, accounting for approximately 4.5% of

our total revenue; the Number Drop series commercially launched in March 2017 reported revenue of approximately RMB2.2 million for the six months ended 30 June 2018, accounting for approximately 3.4% of our total revenue; the G-game series mobile version commercially launched in March 2017 reported revenue of approximately RMB2.0 million for the six months ended 30 June 2018, accounting for approximately 3.1% of our total revenue.

The table below sets forth the fifteen main series of games which are operating and commercially launched by our licensed operators as of 30 June 2018:

| Language version | Game title | Platform | Initial commercial launch date |
|--|---|----------|--------------------------------|
| <i>Kings & Legends (王者召喚) series of games</i> | | | |
| English | Ancient Summoner/Rise of Mythos (Name changed in June 2014) | Browser | May 2013 |
| Japanese | Kings and Legends | Browser | December 2012 |
| | デイヴァイン・グリモワール / Divine Grimoire | Browser | September 2012 |
| German | Kings and Legends | Browser | July 2013 |
| French | Kings and Legends | Browser | December 2013 |
| Traditional Chinese | 卡卡們的大亂鬥 | Browser | June 2012 |
| Simplified Chinese | 王者召喚 | Browser | March 2012 |
| <i>Hero's Crown (英雄皇冠) series of games</i> | | | |
| Simplified Chinese | 英雄皇冠 | Browser | March 2015 |
| Traditional Chinese | 卡卡們的大亂鬥II : 英雄皇冠 | Browser | June 2015 |
| Simplified Chinese | 魔戒外传 | Mobile | April 2016 |
| <i>Heroines of Three Kingdoms (姬戰三國) series of games</i> | | | |
| Simplified Chinese | 姬战三国 | Browser | January 2015 |
| <i>Legend of Fairies (萌仙記) series of games</i> | | | |
| Simplified Chinese | 萌仙记 | Mobile | March 2016 |
| <i>Road of Vengeance (復仇之路) series of games</i> | | | |
| Simplified Chinese | 复仇之路 | Mobile | August 2016 |
| <i>Number Drop series of games</i> | | | |
| Simplified Chinese | Number Drop | Mobile | March 2017 |

| Language version | Game title | Platform | Initial commercial launch date |
|--|-------------------|-----------------|---------------------------------------|
| <i>G-game series of games</i> Simplified Chinese | 一起切水果 | Mobile | March 2017 |
| <i>Sweeties Fighting (零食大亂鬥) series of games</i> Simplified Chinese | 零食大乱斗 | Mobile | May 2017 |
| <i>War of the Sulfulons (薩弗隆戰記) series of games</i> Simplified Chinese | 萨弗隆战记 | Mobile | July 2017 |
| <i>Super Tycoon (超級大亨) series of games</i> Simplified Chinese | 超级大亨 | Mobile | July 2017 |
| <i>Forest Gala (森林大聯歡) series of games</i> Simplified Chinese | 森林大联欢 | Mobile | July 2017 |
| <i>Fish Catching Contest (捕魚大亂鬥) series of games</i> Simplified Chinese | 捕鱼大乱斗 | Mobile | December 2017 |
| <i>Super Cute Monster (超級逗萌獸) series of games</i> Simplified Chinese | 超级逗萌兽 | Mobile | December 2017 |
| <i>Super Rich (超級大富翁) series of games</i> Simplified Chinese | 超级大富翁 | Mobile | February 2018 |
| <i>Age of Star Wars (星戰紀) of games</i> Simplified Chinese | 星战纪 | Mobile | June 2018 |

As at 30 June 2018, we also had two game series under research and development, including the Royal Casino (皇家娛樂城) series and the Shaky Battle (晃晃大作戰) series. Subject to their development progress and market response, the Royal Casino (皇家娛樂城) series is expected to be launched in the third quarter of 2018. The Shaky Battle (晃晃大作戰) series was commercially launched on 1 July 2018. In addition, due to the expiration of the game licensing agreements and business realignment of game operators, we underwent negotiation with licensed operators and discontinued the operation of two game series on the platform of licensed operators, namely the Legend of Fairies (萌仙記) series and War of the Sulfulons (薩弗隆戰記) series in July 2018, terminating the operation of such two games.

Prospects

To address escalating competition in the market, we will continue to operate with diligent and meticulous efforts.

We will continue to grow our strengths in research and development and leverage our solid capabilities in research and development and innovation to develop exquisite games with higher quality and longer life-cycle, upgrade and optimise existing games, and invest comprehensive resources in our core products. We will also make vigorous endeavours in the development of innovative game types and launch more innovative products with premium quality to further enhance the Group's profile as a top-class global game content provider.

We will continue to enhance our cooperation with licensed operators through the introduction of new modes of play, the launch of different language versions for different players, investigate the operation mode for licensed games with licensed operators, and implement precise management and innovative promotion of our games, with a view to giving full play to our strengths in the research and development of games and enhancing our reputation in the research and development of games.

In addition, we will make vigorous efforts to expand overseas markets and promote our games to new potential areas and regions, enhancing our ability to compete internationally in order to evolve and grow in this intensely competitive industry.

Profit for the period

Profit attributable to owners of the Company increased by approximately 72.4% from approximately RMB21.4 million for the six months ended 30 June 2017 to approximately RMB36.9 million for the six months ended 30 June 2018.

Earnings per Share

For the six months ended 30 June 2018, the earnings per share of the Group was approximately RMB21.99 cents. The calculation is based on profit attributable to owners of the Company for the period of approximately RMB36.9 million and the weighted average number of 167,955,800 ordinary shares outstanding during the Reporting Period.

For the six months ended 30 June 2017, the earnings per share of the Group was approximately RMB13.35 cents. The calculation is based on the profit attributable to owners of the Company for the period of approximately RMB21.4 million and 160,000,000 ordinary shares outstanding during the six months ended 30 June 2017.

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 2018 and 2017.

Interim dividends

On 22 June 2018, the Company paid a final dividend for 2017 in form of a cash dividend of HK\$0.125 (equivalent to approximately RMB0.103) per share and bonus shares on the basis of 1 share for every share held to the shareholders whose names appear on the register of members of the Company as at 8 June 2018.

Save as disclosed above, the Board does not recommend the payment of any interim dividend for the six months ended 30 June 2018 (Six months ended 30 June 2017: HK\$0.15 (approximately RMB0.129) per share).

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 2018.

CORPORATE GOVERNANCE PRACTICE

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

The Company has adopted the principles and the Code provisions set out in the Code contained in Appendix 15 of the GEM Listing Rules as its own code of corporate governance practices.

The Directors consider the Company has complied with all the Code provisions set out in the Code throughout the Reporting Period.

INTEREST OF COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, China Everbright Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 26 January 2016, neither the Compliance Adviser nor its directors, employees or associates (as defined in the GEM Listing Rules) had any interests in relation to the share capital of the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk and the GEM website at www.hkgem.com, in the case of this announcement, on the "Latest Company Announcements" page for at least seven days from the day of its posting. This announcement will also be published on the Company's website at www.firerock.hk. The interim report of the Company for the six months ended 30 June 2018 containing all the information required by the GEM Listing Rules will be dispatched to the shareholders and published on the above websites in due course.

By order of the Board
Fire Rock Holdings Limited
Huang Yong
Executive Director and CEO

Hong Kong, Friday, 10 August 2018

As at the date of this announcement, the executive Directors are Mr. Huang Yong, Mr. Wu Zhe and Mr. Rao Zhenwu; the non-executive directors are Mr. Zhang Yan, Mr. Zhang Xiongfeng and Ms. Yang Kan and the independent non-executive Directors are Mr. Chan King Fai, Mr. He Yunpeng and Mr. Chen Di.