



**Infinites Technology
International (Cayman) Holding Limited
多牛科技國際(開曼)集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1961

2023
Interim Report

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WANG Le (*Chairman*)

Mr. CHEN Ying

Non-executive Directors

Mr. WANG Ning

Mr. LIANG Junhua

Independent non-executive Directors

Mr. LEUNG Ming Shu

Mr. TANG Shun Lam

Mr. CHOI Onward (*passed away on 12 June 2023*)

AUDIT COMMITTEE

Mr. LEUNG Ming Shu (*Chairman*)

Mr. LIANG Junhua

Mr. CHOI Onward (*passed away on 12 June 2023*)

REMUNERATION COMMITTEE

Mr. TANG Shun Lam (*Chairman*)

Mr. WANG Ning

Mr. CHOI Onward (*passed away on 12 June 2023*)

NOMINATION COMMITTEE

Mr. WANG Le (*Chairman*)

Mr. LEUNG Ming Shu

Mr. TANG Shun Lam

AUTHORIZED REPRESENTATIVES

Ms. WONG Wai Yee Ella

Mr. WANG Ning

COMPANY SECRETARY

Ms. WONG Wai Yee Ella

AUDITORS

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

LEGAL ADVISER

As to Hong Kong law

Eric Chow & Co. in Association with Commerce & Finance Law Offices

3401, Alexandra House
18 Chater Road, Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room B102, 1st Floor
Dongcheng Building
58 Jianzhong Road
Tianhe District
Guangzhou
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

China Merchants Bank (Guangzhou Huangpu Avenue Branch)

5/F, Unicom New Space Time Plaza
No. 666 West Huangpu Road
Guangzhou
PRC

COMPANY'S WEBSITE

<https://www.infinities.com.hk>

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE

1961

Financial Highlights

RESULTS

| | Six months ended 30 June | | |
|---------------------|--------------------------------|--------------------------------|-------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) | Change % |
| Revenue | 142,787 | 43,197 | 230.5% |
| Gross profit | 23,647 | 872 | 2,611.8% |
| Loss for the period | (10,544) | (35,187) | -70.0% |

ASSETS AND LIABILITIES

| | As at 30 June 2023 RMB'000 (Unaudited) | As at 31 December 2022 RMB'000 (Audited) | Change % |
|-------------------------------------|--|--|-------------|
| | | | |
| Assets | | | |
| Non-current assets | 34,581 | 28,808 | 20.0% |
| Current assets | 193,785 | 86,871 | 123.1% |
| Total assets | 228,366 | 115,679 | 97.4% |
| Equity and liabilities | | | |
| Total equity | 135,171 | 54,347 | 148.7% |
| Non-current liabilities | 11,877 | 18,823 | -36.9% |
| Current liabilities | 81,318 | 42,509 | 91.3% |
| Total liabilities | 93,195 | 61,332 | 52.0% |
| Total equity and liabilities | 228,366 | 115,679 | 97.4% |

Chairman's Statement

Dear Shareholders,

On behalf of the Board of the Company, I am pleased to present the interim report of the Group for the First Half 2023.

OVERVIEW

The First Half of 2023 witnessed a period of innovation and challenges as the impact of the global COVID-19 pandemic on economy gradually subsided, leading to a steady recovery in the market landscape. Simultaneously, the rise of Artificial Intelligence Generated Content (“AIGC”) brought significant changes in industry production efficiency and methods. Under such environment, the Company remained committed to strengthening its core business while actively seeking diversified development and deepening its business segmentation structure. The Company maintained a strong focus on the stable development of its mobile game development and operation, digital media distribution, and game product supply businesses. By enriching the diversified business structure, the Company steadily advanced its growth trajectory. Furthermore, the Company seized new opportunities emerging in the industry development by adapting to global market trends and exploring innovative business models. In the First Half 2023, the Company expanded its business segmentation structure, developed and operated the AIGC mobile apps to further expand its business scale.

RESULTS

The Company's revenue increased by approximately RMB99.6 million or 230.5% from approximately RMB43.2 million in the First Half 2022 to approximately RMB142.8 million in the First Half 2023.

The Company's loss decreased by approximately RMB24.7 million from a loss of approximately RMB35.2 million in the First Half 2022 to a loss of approximately RMB10.5 million in the First Half 2023. The narrowing of the loss was mainly due to (i) an increase in gross profit of approximately RMB22.8 million; (ii) an increase in other income approximately RMB1.1 million; (iii) a decrease in other expenses of approximately RMB5.9 million; and (iv) a reduction in the trade receivables impairment of approximately RMB11.7 million, partially offset by an increase in selling and distribution expenses of approximately RMB4.5 million, an increase in administrative expenses of approximately RMB5.5 million, and an increase in research and development expenses of approximately RMB6.7 million.

OUTLOOK

With the normalization of domestic and imported game publication approvals, coupled with significant achievements in epidemic prevention and control, the gaming industry has entered a phase of rapid recovery in the First Half 2023. The year-on-year growth in the gaming market is a clear indication of positive momentum, and it is expected to experience even stronger and more stable development in the second half of the year.

Looking forward, with the issuance of the “Plan for the Overall Layout of Building a Digital China (《數字中國建設整體佈局規劃》)” by the Communist Party of China Central Committee and the State Council, as well as the introduction of various significant measures. A macro environment that promotes the development of the digital economy has been formed, and the foundation for enterprise development in the digital economy industry has become more solid. The digital industry has a significant impact on both the country and the global community. Therefore, the Company's involvement in the digital entertainment industry has enormous potential in the upcoming tide of China's digital economic development.

In the First Half 2023, the wave of AIGC swept through the digital economy, including the gaming industry, driving a new wave of transformative change in the industry productivity. AIGC permeated various aspects such as content generation, advertising placement, and game development, promoting the diversification of the gaming industry.

Chairman's Statement (continued)

The Company is committed to long-term sustainability and responding to the national policy call for the development of the digital economy. In an increasingly digitized world, where new-generation information technology is constantly advancing, the Company will seize the industry opportunities brought by the explosion of artificial intelligence technology, and will continue to increase investment in research and development in game engine, game publishing and operations, and the creation of diverse and innovative product portfolios. While enhancing the market competitiveness, the Company will actively seek opportunities to upgrade its business models, further explore the integration and expansion of the new AIGC track with the Company's operations, integrate resources to foster innovation, and continuously inject new momentum into the Company's long-term development.

PROSPECTS

In the second half of 2023, the Company will continue to expand and leverage our strengths in mobile game development and operations, digital media content distribution, and game product supply. The Company will maintain stable business growth and further strengthen collaborations with leading media platforms in the industry. Additionally, the Company will continue to explore the market demands, develop and upgrade AIGC mobile app, accelerate the expansion of the game product supply market, actively explore overseas markets, and further enhance its revenue generation capabilities.

In the future, the Company will continue to maintain the healthy development of each business by allocating resources in a flexible and timely manner. The Company will actively pursue diversification in each segmentation and prioritize the stability and profitability of the overall business. The Company remains optimistic and has full confidence in its future.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my heartfelt gratitude to our shareholders, members of the Board, senior management and all our staffs for their dedication and contribution. On behalf of the Board, I would like to thank our clients, suppliers, and business partners for their relentless support and trust. Going forward, we shall strive to explore further opportunities and overcome challenges, as we remain steadfast and committed to attaining better results for the Group.

WANG Le

Chairman

28 August 2023

Management Discussion and Analysis

REVIEW OF OPERATION

During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the development and operation of mobile games, the distribution of digital media content and gaming products supply in China and overseas.

The First Half of 2023 witnessed a period of innovation and challenges as the impact of the global COVID-19 pandemic on economy gradually subsided, leading to a steady recovery in the market landscape. Simultaneously, the rise of Artificial Intelligence Generated Content (“**AIGC**”) brought significant changes in industry production efficiency and methods. Under such environment, the Company remained committed to strengthening its core business while actively seeking diversified development and deepening its business segmentation structure. The Company maintained a strong focus on the stable development of its mobile game development and operation, digital media distribution, and game product supply businesses. By enriching the diversified business structure, the Company steadily advanced its growth trajectory. Furthermore, the Company seized new opportunities emerging in the industry development by adapting to global market trends and exploring innovative business models. In the First Half 2023, the Company expanded its business segmentation structure, developed and operated the AIGC mobile apps to further expand its business scale.

The Company’s revenue increased by approximately RMB99.6 million or 230.5% from approximately RMB43.2 million in the First Half 2022 to approximately RMB142.8 million in the First Half 2023. Such increase was primarily driven by a revenue increase of approximately RMB21.4 million from the mobile game development and operation and information services business, approximately RMB38.6 million from the digital media content distribution business, and approximately RMB39.6 million from the newly expanded game product supply business. Gross profit increased by approximately RMB22.8 million or 2,611.8% from approximately RMB0.9 million in the First Half 2022 to approximately RMB23.7 million in the First Half 2023. Such increase was mainly attributed to the Company’s adjustment of its business strategy since the second half of 2022, focusing on deepening its business structure, diversifying domestic and international operations, gradually improving revenue and profitability, and avoiding the low-profit and low-gross margin situation associated with a relatively single business structure in the past.

The Company’s loss decreased by approximately RMB24.7 million from a loss of approximately RMB35.2 million in the First Half 2022 to a loss of approximately RMB10.5 million in the First Half 2023. The narrowing of the loss was mainly due to (i) an increase in gross profit of approximately RMB22.8 million; (ii) an increase in other income approximately RMB1.1 million; (iii) a decrease in other expenses of approximately RMB5.9 million; and (iv) a reduction in the trade receivables impairment of approximately RMB11.7 million, partially offset by an increase in selling and distribution expenses of approximately RMB4.5 million, an increase in administrative expenses of approximately RMB5.5 million, and an increase in research and development expenses of approximately RMB6.7 million.

Management Discussion and Analysis *(continued)*

FINANCIAL REVIEW

Mobile Game

The mobile game consists of development and operation of mobile games and information services where the Group cooperated with corporate customers to integrate media content in some of the mobile games the Group operates.

The following table sets forth certain operating statistics relating to the mobile game of the Group in the periods indicated:

| | Six months ended 30 June | | |
|---------------------------------|--------------------------|-------|------------|
| | 2023 | 2022 | Change (%) |
| Game | | | |
| Number of paying players ('000) | 680.0 | 73.8 | 821.4% |
| Average MPUs ('000) | 113.3 | 12.3 | 821.1% |
| Average ARPPU (RMB) | 114.9 | 493.0 | -76.7% |

- MPUs. The average monthly paying users (“**MPUs**”) for the game business increased to approximately 113.3 thousand for the First Half 2023 from approximately 12.3 thousand for the First Half 2022. Such increase was primarily due to the fact that in the First Half 2023, while continuing to serve players in China, the Group gradually expanded its gaming business into the overseas multiplayer mobile gaming market, continuously accumulating and serving players both domestically and internationally. At the same time, during the First Half 2023, the Group obtained more diverse gaming products through increased its research and development investment or licensing. Hence, it attracted a large group of paying players.
- ARPPU. The average revenue per paying user (“**ARPPU**”) level of game business decreased to approximately RMB114.9 for the First Half 2023 as compared to approximately RMB493.0 for the First Half 2022. Such decrease was primarily due to the fact that in the First Half 2023, (i) the base of paying users was larger than that of the First Half 2022; and (ii) the ARPPU for overseas users was lower.

Management Discussion and Analysis (continued)

The following table sets forth the Group's interim condensed consolidated statement of profit or loss for the First Half 2023 as compared to the First Half 2022:

| | Six months ended 30 June | | |
|-----------------------------------|--------------------------------|--------------------------------|---------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) | Change (%) |
| Revenue | 142,787 | 43,197 | 230.5% |
| Cost of sales | (119,140) | (42,325) | 181.5% |
| Gross profit | 23,647 | 872 | 2,611.8% |
| Other income | 1,902 | 792 | 140.2% |
| Selling and distribution expenses | (4,724) | (257) | 1,738.1% |
| Administrative expenses | (14,534) | (9,033) | 60.9% |
| Research and development expenses | (12,189) | (5,495) | 121.8% |
| Impairment of trade receivables | (1,039) | (12,721) | -91.8% |
| Other expenses | (3,060) | (9,008) | -66.0% |
| Finance costs | (163) | (26) | 526.9% |
| Share of results of associates | (33) | (214) | -84.6% |
| Loss before tax | (10,193) | (35,090) | -71.0% |
| Income tax expense | (351) | (97) | 261.9% |
| Loss for the period | (10,544) | (35,187) | -70.0% |

Management Discussion and Analysis *(continued)*

Revenue

Revenue increased by approximately RMB99.6 million or 230.5% to approximately RMB142.8 million for the First Half 2023 from approximately RMB43.2 million for the First Half 2022. The following table sets forth the revenue of the Group by business for the six months ended 30 June 2022 and 2023:

| | Six months ended 30 June | | | |
|--|--------------------------|-----------------------|------------------------|-----------------------|
| | 2023 | | 2022 | |
| | RMB'000 (Unaudited) | % to total revenue | RMB'000 (Unaudited) | % to total revenue |
| <i>Revenue from contracts with customers</i> | | | | |
| Mobile games | | | | |
| – Development and operation | 54,833 | 38.4% | 40,017 | 92.6% |
| – Information services | 6,865 | 4.8% | 240 | 0.6% |
| Digital media | | | | |
| – Content distribution | 1,209 | 0.8% | 2,940 | 6.8% |
| – Advertisement distribution services | 19,095 | 13.4% | – | – |
| – Subscription fee of AIGC mobile app | 21,221 | 14.9% | – | – |
| Gaming products supply | 39,564 | 27.7% | – | – |
| Total Revenue from contracts with customers | 142,787 | 100.0% | 43,197 | 100.0% |

- Revenue generated from the Group's mobile games increased by approximately RMB21.4 million or 53.3% to approximately RMB61.7 million for the First Half 2023 from approximately RMB40.3 million for the First Half 2022. Such increase was primarily due to the fact that, since the second half of 2022, the Group has been adjusting its business strategy, continuously optimizing the segmentation structure of its mobile gaming business, and obtained more diverse gaming products through increased its research and development investment or licensing. It has also actively expanded its mobile gaming development, operation business and information service business in the overseas markets. These optimization adjustments have shown significant results in the First Half 2023, greatly enhancing the revenue generation capability of this business.
- Revenue generated from the Group's digital media content distribution increased by approximately RMB38.6 million or 1,312.4% to approximately RMB41.5 million for the First Half 2023 from approximately RMB2.9 million for the First Half 2022. Such increase was primarily due to the fact that, since the second half of 2022, the Group has been adjusting its business strategy and continuously optimizing the segmentation structure of its digital media business. The Company has expanded its distribution and service business advertisement distribution services in both the domestic and international markets. At the same time, at the onset of the AIGC wave, the Group strategically developed and operated AIGC mobile apps, achieving significant success in the First Half 2023. These series of measures have propelled the digital media business towards a diversified product structure, greatly enhancing its revenue generation capability compared to the previous relatively single-product structure.
- Revenue generated from the Group's gaming products supply business was approximately RMB39.6 million in the First Half 2023 (First Half 2022: Nil). This business was newly expanded by the Group in the second half of 2022, primarily supplying game consoles, console games, related merchandise and accessories to third-party clients or Chengdu Dianwan Bashi Commerce Company Limited* (成都電頑巴士商貿有限公司) and its affiliates.

Management Discussion and Analysis (continued)

Cost of sales

Cost of sales increased by approximately RMB76.8 million or 181.5% to approximately RMB119.1 million for the First Half 2023 from approximately RMB42.3 million for the First Half 2022. The increase was mainly due to the substantial increase in the revenue for the First Half 2023, which resulted in the significant increase in service fees charged by the Group's distributors. For the First Half 2023, the percentage of cost of sales to total revenue decreased to approximately 83.4% (for the First Half 2022: 98.0%) mainly due to the Group's adjustment of its business strategy since the second half of 2022, focusing on deepening its business structure and diversifying. This gradual improvement in revenue and profit generation capabilities improved the low profitability and low gross margin situation associated with its previously relatively singular business structure.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB4.4 million or 1,738.1% to approximately RMB4.7 million for the First Half 2023 from approximately RMB0.3 million for the First Half 2022. Such increase was principally due to an increase in the advertising spend and distribution during the period.

Administrative expenses

Administrative expenses increased by approximately RMB5.5 million or 60.9% to approximately RMB14.5 million for the First Half 2023 from approximately RMB9.0 million for the First Half 2022. Such increase was principally due to the higher expenses in employee costs and office rent during the period.

Research and development expenses

Research and development expenses increased by approximately RMB6.7 million or 121.8% to approximately RMB12.2 million for the First Half 2023 from approximately RMB5.5 million for the First Half 2022. Such increase was principally due to increase investment in the development of multiplayer mobile game projects in response to the market changes and additional resources allocated to the development of AIGC project products during the period.

Other income

Other income increased to approximately RMB1.9 million for the First Half 2023 from approximately RMB0.8 million for the First Half 2022. Such increase was mainly due to the increase in the government grants and the additional deduction of input value-add tax.

Impairment of trade receivables

Impairment of trade receivables was approximately RMB1.0 million for the First Half 2023 as compared to approximately RMB12.7 million for the First Half 2022. Such decrease was mainly due to the impairment risk of trade receivables has been adequately considered in the past, and improved in the collectability of oversea receivable balance.

Other expenses

Other expenses were approximately RMB3.1 million for the First Half 2023, as compared to other expenses of approximately RMB9.0 million for the First Half 2022. Such decrease was mainly due to the deposits has been adequately considered for impairment risk in the past, and no additional impairment loss was recognized in the current period.

Management Discussion and Analysis *(continued)*

Finance costs

Finance cost amounted to approximately RMB163,000 for the First Half 2023, as compared to the First Half 2022 which amounted to approximately RMB26,000. Such increase was mainly due to the interest on loans from a fellow subsidiary and the ultimate holding company.

Income tax expense

The income tax expense for the First Half 2023 was approximately RMB351,000, as compared to the First Half 2022 which amounted to approximately RMB97,000. Such increase was mainly due to individual subsidiaries turning losses into profits.

Loss for the period

Based on the foregoing, the loss for the First Half 2023 was approximately RMB10.5 million, as compared to the loss of approximately RMB35.2 million for the First Half 2022.

LIQUIDITY AND FINANCIAL RESOURCES

| | As at 30 June 2023 RMB'000 (Unaudited) | As at 31 December 2022 RMB'000 (Audited) |
|---------------------------|--|--|
| Cash and cash equivalents | 52,472 | 20,715 |

The Group's total cash and cash equivalents increased to approximately RMB52.5 million as at 30 June 2023 from approximately RMB20.7 million as at 31 December 2022. Such increase was mainly due to the balance of the proceeds from the Placing under general mandate on 2 May 2023.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of fundings, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in Renminbi ("RMB"), followed by Hong Kong dollars ("HKD"), US dollars ("USD"), and Japanese Yen ("JPY").

The Group did not have any bank borrowing balance as at 30 June 2023 and 31 December 2022. As at 30 June 2023, the Group's gearing ratio (calculated as loans from a fellow subsidiary and the ultimate holding company divided by total assets) was 7.0% (As at 31 December 2022: 14.3%). The borrowing requirements of the Group are not subject to seasonality.

MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENT

On 23 June 2023, the Company entered into a joint venture agreement with Infinities Technology (Cayman) Holding Limited (“**Infinities Cayman**”) to jointly establish a joint venture company to further explore the advertisement distribution services market in the People’s Republic of China. On the same day, Emperor Interactive Entertainment Development Company Limited (九尊互娛發展有限公司) (“**Emperor**”) entered into (i) an advertising traffic mutual supply agreement with Infinities Cayman in relation to the traffic procurement transactions and traffic supply transactions between Emperor and Infinities Cayman; and (ii) NGA exclusive franchise agreement with Infinities Cayman to govern the NGA franchise transactions between Infinities Cayman and Emperor. For details, please refer to the announcement of the Company dated 23 June 2023.

As at the date of this interim report, save as disclosed, there were no material acquisition and disposal or significant investment conducted by the Group.

PLEDGE OF ASSETS

As at 30 June 2023, the Group did not have any pledged assets.

CAPITAL COMMITMENTS

As at 30 June 2023, the Group did not have any significant capital commitment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group did not have other plan for material investments and capital assets.

CONTINGENT LIABILITIES

Reference was made to the litigation announcement of the Company dated 18 January 2022 in relation to disputes of infringement of copyrights and unfair competition that the plaintiff initiated legal proceedings to claim for economic loss, together with other expenses, against defendants, which include an indirectly non-wholly owned subsidiary of the Company. Based on the progress of the proceeding to date, it is not possible to give a firm evaluation of the likelihood of the outcome or estimate the possible amount of loss, if any, and the Company believes that the outcome of such proceeding will have no material financial impact on the Group. No provision for disputed costs has been made in the consolidated financial statements.

As at the date of this interim report, save as disclosed, the Group did not have any significant unrecorded contingent liabilities.

HUMAN RESOURCES

As at 30 June 2023, the Group had a total of 83 employees, whom are based in Guangzhou, Beijing and Chengdu. Total staff costs were approximately RMB11.4 million for the First Half 2023. The Group provides employees with competitive remuneration and various benefits including housing, pension, medical and unemployment benefit plan, and the Group’s remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provides customized and continuous on-the-job training to its new employees by experienced mentors from relevant teams or departments.

Management Discussion and Analysis *(continued)*

EVENT AFTER THE REPORTING PERIOD

The Group did not have any significant events after 30 June 2023 and up to the date of this interim report.

PRINCIPAL RISKS AND UNCERTAINTIES

Although the Group has successfully established its mobile games, there are certain risks that could adversely affect the Group's operations and financial results due to the immaturity of the mobile game industry in PRC. The major hurdles which the Group encountered include (i) new policies or any amendment to current policies in relation to mobile game industry; (ii) reliance on distribution channel providers; (iii) the game portfolio included games that are self-developed or licensed games, so the Group's operations may be adversely affected if the Group cannot seek alternatives in a timely manner; and (iv) the Group may be exposed to payment delays or defaults from settlement agents, which would adversely affect the Group's cash flow and financial results.

With regard to the Group's established digital media content, the major hurdles which the Group encountered include external interruptions such as system disruption, hacking or service suspension on any of the distribution platforms or the publishing platforms.

Meanwhile, for the Group's established gaming products supply, as our suppliers include both domestic and overseas suppliers, the main difficulties faced by the Group include (i) the quality of game products purchased from suppliers, as well as losses during transportation; (ii) relying on a single customer; and (iii) fluctuations in foreign exchange rates that may adversely affect the Group's cash flow or financial results.

Other Information

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors and chief executives at the relevant time being in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interest in Shares and underlying Shares

| Name of Director | Capacity/Nature of Interest | Number of Shares or securities held | Approximate percentage of shareholding |
|----------------------------|--|-------------------------------------|--|
| Mr. Wang Le ⁽¹⁾ | Interest in controlled corporation/Long position | 329,091,719 | 53.69% |

Note:

- (1) These Shares were held by Infinities Global, a limited company owned as to approximately 53.74% by Infinities Worldwide. Infinities Worldwide is a direct wholly-owned subsidiary of Infinities B&M, which is a direct wholly-owned subsidiary of Infinities Cayman. Infinities Cayman was held as to approximately 24.76% by its largest shareholder (i.e. Zhouqinhantang Technology Management Ltd.). Zhouqinhantang Technology Management Ltd. was indirectly controlled by Mr. Wang Le (who is an Executive Director) as to 50% and Ms. An Fenghua as to 50%. Mr. Wang Le and Ms. An Fenghua are the ultimate controllers of Infinities Global.

(ii) Interest in associated corporations

| Name of Director | Name of the Company's associated corporation | Capacity/Nature of Interest | Approximate percentage of shareholding |
|------------------|--|-----------------------------|--|
| Mr. Liang Junhua | Guangzhou Jiu Zun ⁽¹⁾ | Beneficial interest | 32.26% |

Note:

- (1) Mr. Liang Junhua owns 32.26% capital contribution in Guangzhou Jiu Zun.

Save as disclosed above, as at the date of this interim report, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information (continued)

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, to the best of the knowledge of the Company and the Directors, the following persons (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or the underlying Shares which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register of the Company maintained under Section 336 of the SFO.

| Name of Shareholder | Capacity/Nature of interests | Total number of Shares | Approximate percentage of shareholding (%) |
|---|--|------------------------|--|
| Ms. An Fenghua ⁽¹⁾ | Interest in controlled corporation/Long position | 329,091,719 | 53.69% |
| Infinites Cayman ^{(1), (3)} | Interest in controlled corporation/Long position | 329,091,719 | 53.69% |
| Infinites B&M ^{(1), (3)} | Interest in controlled corporation/Long position | 329,091,719 | 53.69% |
| Infinites Worldwide Limited ^{(1), (3)} | Interest in controlled corporation/Long position | 329,091,719 | 53.69% |
| Ms. Liu Xiaoke ⁽²⁾ | Interest in controlled corporation/Long position | 329,091,719 | 53.69% |
| Infinites Global ^{(1), (2), (3)} | Beneficial interest/Long position | 329,091,719 | 53.69% |

Notes:

- (1) These Shares were held by Infinites Global, a limited company owned as to approximately 53.74% by Infinites Worldwide. Infinites Worldwide is a direct wholly-owned subsidiary of Infinites B&M, which is a direct wholly-owned subsidiary of Infinites Cayman. Infinites Cayman was held as to approximately 24.76% by its largest shareholder (i.e. Zhouqinhantang Technology Management Ltd.). Zhouqinhantang Technology Management Ltd. was indirectly controlled by Mr. Wang Le as to 50% and Ms. An Fenghua as to 50%.
- (2) These Shares were held by Infinites Global, a limited company owned as to approximately 46.26% by Ms. Liu Xiaoke.
- (3) Mr. Wang Le, an Executive Director, is also a director of Infinites Cayman, Infinites B&M and Infinites Worldwide Limited. Save as disclosed, no Director is an employee or director of any substantial shareholder of the Company.

Save as disclosed above, as at the date of this interim report, the Directors and the chief executives were not aware of any person (other than our Directors or chief executives) who had an interest or a short position in the Shares or the underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, change of directors' information of the Company since the Company's latest published annual report is as follows:

Mr. Choi Onward ("**Mr. Choi**"), the independent non-executive Director, the members of the Audit Committee and the Remuneration Committee, passed away on 12 June 2023.

Following the passing away of Mr. Choi, the Board comprises six Directors, including two executive Directors, two non-executive Directors and two independent non-executive Directors.

Other Information *(continued)*

The Company currently does not meet (i) the minimum number of independent non-executive directors required under Rule 3.10(1) of the Listing Rules; and (ii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules. Meanwhile, the remuneration committee of the Company no longer comprise a majority of independent non-executive Directors as required under Rule 3.25 of the Listing Rules.

The Company is in the process of identifying a suitable candidate to fill the vacancy of the independent non-executive Director, the members of the Audit Committee and the Remuneration Committee in order to fulfill the requirements of the Listing Rules as soon as practicable and in any event within three months from the date of the pass away of Mr. Choi pursuant to Rules 3.11, 3.23 and 3.27 of the Listing Rules.

For details, please refer to the announcement of the Company dated 23 June 2023.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time during the First Half 2023 and up to the date of this interim report was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this interim report, none of the Directors and their respective associates that has interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, save and except for the following:

Infinites Technology Group

Infinites Technology Group was founded in 2012 and is principally engaged in technology and media businesses in the PRC. Infinites Technology Group is controlled by Infinites Cayman pursuant to contractual arrangements, and Infinites Cayman is ultimately controlled by, among others, Mr. Wang Le who is an executive Director and a controlling shareholder of the Company. Mr. Wang Le is also the chairman of Infinites Technology Group. Infinites Technology Group engages in the sale of console game hardware and related products, media operations (including campus social media platform (Renren.com (人人網)), the Chinese online gaming social platform (NGA.cn)), online advertising business (廣告流量業務), and online gaming business, which may compete or is likely to compete, either directly or indirectly, with the Group's existing businesses.

Mr. Wang Le, an executive Director, is the chairman of Infinites Technology Group and Mr. Chen Ying, an executive Director, is the secretary of the board of Beijing Infinites Interactive Media Company Limited* (北京多牛互動傳媒股份有限公司), the major operating subsidiary of the Infinites Cayman Group. Both of them are not involved in the daily operation of Infinites Technology Group. By reasons of the fact that Infinites Technology Group and the Group have (i) different management teams; (ii) different development and operation systems; (iii) independent sales and marketing activities; (iv) different target customers; and (v) different independent financial and accounting systems, the Directors held the view that the Group is financially and operationally independent from Infinites Technology Group. The Company has established relevant corporate governance measures to avoid conflicts of interest between the Group and any Director, such as a Director shall abstain from voting and shall not be counted towards the quorum for voting on any matters which he/she might be in conflict of interest. The Directors considered that the operations of Infinites Technology Group would not affect the Group's business.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The related party transactions which were undertaken in the First Half 2023 are set out in Note 16 to the financial information in this interim report. For those related party transactions which constituted connected transactions or continuing connected transactions (other than those described in the section headed “Report of Directors – Contractual Arrangements” of the 2022 Annual Report) of the Company under the Listing Rules, the Company has complied with the disclosure requirements in Chapter 14A of the Listing Rules, where applicable.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the First Half 2023.

USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

The net proceeds raised by the Company from placing of new shares (the “**Placing**”) under general mandate on 2 May 2023 are approximately RMB106.88 million (after deduction of the underwriting commissions in respect of the offering). As at 30 June 2023, the net proceeds from the Placing under general mandate were utilised accordance with the intended purposes stated in the announcement of the Company dated 2 May 2023 (the “**Placing Announcement**”), with the balance amounted to approximately RMB37.06 million. The balance of the proceeds will continue to be utilised according to the manner and proportions as disclosed in such Placing Announcement.

As at 30 June 2023, the net proceeds from the Placing under general mandate had been applied as follows:

| | Net amount available on 2 May 2023 RMB million | Actual net amount utilised as at 30 June 2023 RMB million | Unutilised net amount on 30 June 2023 RMB million | Expected timeline for utilising the remaining net proceeds (Note) |
|---|--|---|---|--|
| Research and development in the gaming products and AI products | 31.80 | 22.64 | 9.16 | By 30 June 2024 |
| Expand the gaming sector | 15.90 | 12.96 | 2.94 | By 30 June 2024 |
| Expand digital media sector | 15.89 | 4.59 | 11.30 | By 30 June 2024 |
| Working capital and general corporate use | 43.29 | 29.63 | 13.66 | By 30 June 2024 |
| Total | 106.88 | 69.82 | 37.06 | |

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of future market conditions and is consistent with that as described in the Placing Announcement. It might be subject to changes based on the current and future development of the market conditions.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or his/her connected entities had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its parent company, or any of its subsidiaries or fellow subsidiaries was a party during the First Half 2023 and up to the date of this interim report.

Other Information (continued)

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 21 February 2020. No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct and procedures governing Directors' securities transactions in stringent compliance with the Model Code as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the code of conduct and procedures governing Directors' securities transactions during the First Half 2023.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

CORPORATE GOVERNANCE CODE

The Company has committed to delivering and maintaining a higher standard of corporate governance to meet business needs and the expectation of the Shareholders. The Company has adopted the principles and code provisions of the CG Code set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance principles and practices. The Company has complied with all the applicable code provisions of the CG Code during the First Half 2023.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the First Half 2023 (First Half 2022: Nil).

AUDIT COMMITTEE

The Audit Committee currently has two members, being an independent non-executive Director, Mr. Leung Ming Shu (Chairman of Audit Committee) and a non-executive Director, Mr. Liang Junhua, with terms of reference in compliance with the Listing Rules.

The Audit Committee has reviewed with the Board about the accounting standards and practices adopted by the Group and the unaudited interim condensed consolidated financial information of the Company for the First Half 2023, and has discussed matters in relation to the internal control and risk management systems and financial reporting with the management.

By Order of the Board

Infinites Technology International (Cayman) Holding Limited

WANG Le

Chairman and Executive Director

Hong Kong, 28 August 2023

The Board hereby presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023 together with comparative figures for the corresponding period in 2022. This interim condensed consolidated financial information for the six months ended 30 June 2023 has not been audited, but has been reviewed by the Audit Committee.

Interim Condensed Consolidated Statement of Profit or Loss

| | Notes | Six months ended 30 June | |
|---|-------|--------------------------------|--------------------------------|
| | | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| Revenue | 4 | 142,787 | 43,197 |
| Cost of sales | | (119,140) | (42,325) |
| Gross profit | | 23,647 | 872 |
| Other income | 4 | 1,902 | 792 |
| Selling and distribution expenses | | (4,724) | (257) |
| Administrative expenses | | (14,534) | (9,033) |
| Research and development expenses | | (12,189) | (5,495) |
| Impairment of trade receivables | | (1,039) | (12,721) |
| Other expenses | | (3,060) | (9,008) |
| Finance costs | | (163) | (26) |
| Share of results of associates | | (33) | (214) |
| Loss before tax | 5 | (10,193) | (35,090) |
| Income tax expense | 6 | (351) | (97) |
| Loss for the period | | (10,544) | (35,187) |
| Attributable to: | | | |
| Owners of the parent | | (10,416) | (33,664) |
| Non-controlling interests | | (128) | (1,523) |
| | | (10,544) | (35,187) |
| Loss per share attributable to ordinary equity holders of the parent | 8 | | |
| Basic and diluted | | RMB(1.8) cents | RMB(6.2) cents |

Interim Condensed Consolidated Statement of Comprehensive Income

| | Six months ended 30 June | |
|---|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| Loss for the period | (10,544) | (35,187) |
| Other comprehensive income/(loss) | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | 5,660 | 1,710 |
| Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods: | | |
| Equity investments designated at fair value through other comprehensive income: | | |
| Changes in fair value | (2,471) | (3,966) |
| Other comprehensive income/(loss) for the period | 3,189 | (2,256) |
| Total comprehensive loss for the period | (7,355) | (37,443) |
| Attributable to: | | |
| Owners of the parent | (7,227) | (35,920) |
| Non-controlling interests | (128) | (1,523) |
| | (7,355) | (37,443) |

Interim Condensed Consolidated Statement of Financial Position

| | <i>Notes</i> | As at 30 June 2023 RMB'000 (Unaudited) | As at 31 December 2022 RMB'000 (Audited) |
|--|--------------|---|--|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,053 | 726 |
| Right-of-use assets | | 2,144 | 590 |
| Interests in associates | | 15,940 | 19,053 |
| Equity investments designated at fair value through other comprehensive income | | 5,853 | 8,324 |
| Prepayments and deposits | 11 | 9,591 | 115 |
| Total non-current assets | | 34,581 | 28,808 |
| Current assets | | | |
| Trade receivables | 10 | 79,544 | 26,725 |
| Prepayments, deposits and other receivables | 11 | 61,769 | 39,431 |
| Cash and cash equivalents | | 52,472 | 20,715 |
| Total current assets | | 193,785 | 86,871 |
| Current liabilities | | | |
| Trade payables | 12 | 50,311 | 22,121 |
| Contract liabilities | | 5,275 | 2,368 |
| Other payables and accruals | 13 | 15,815 | 16,472 |
| Lease liabilities | | 1,046 | 577 |
| Tax payable | | 1,297 | 971 |
| Loans from a fellow subsidiary | | 3,593 | - |
| Loans from the ultimate holding company | | 3,981 | - |
| Total current liabilities | | 81,318 | 42,509 |
| Net current assets | | 112,467 | 44,362 |
| Total assets less current liabilities | | 147,048 | 73,170 |

Interim Condensed Consolidated Statement of Financial Position *(continued)*

| | <i>Notes</i> | As at 30 June 2023 RMB'000 (Unaudited) | As at 31 December 2022 RMB'000 (Audited) |
|--|--------------|---|--|
| Non-current liabilities | | | |
| Lease liabilities | | 1,212 | 100 |
| Deferred tax liabilities | | 2,164 | 2,164 |
| Loans from a fellow subsidiary | | 7,126 | 10,062 |
| Loans from the ultimate holding company | | 1,375 | 6,497 |
| Total non-current liabilities | | 11,877 | 18,823 |
| Net assets | | 135,171 | 54,347 |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Issued capital | <i>14</i> | 5,528 | 4,946 |
| Reserves | | 124,008 | 43,638 |
| | | 129,536 | 48,584 |
| Non-controlling interests | | 5,635 | 5,763 |
| Total equity | | 135,171 | 54,347 |

Interim Condensed Consolidated Statement of Changes in Equity

| | Attributable to owners of the parent | | | | | | | | | |
|--|--------------------------------------|------------------------|------------------------|-------------------------|---|------------------------------|------------------------|------------------------|---------------------------|------------------------|
| | Issued capital | Share premium account | Other reserve | Statutory reserve funds | Fair value reserve of assets at fair value through other comprehensive income | Exchange fluctuation reserve | Accumulated losses | Total | Non-controlling interests | Total equity |
| | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) |
| At 1 January 2022 | 4,946 | 130,168 | 10,000 | 8,585 | 1,149 | (9,389) | (16,247) | 129,212 | 9,301 | 138,513 |
| Loss for the period | - | - | - | - | - | - | (33,664) | (33,664) | (1,523) | (35,187) |
| Other comprehensive income/(loss) for the period: | | | | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | - | - | 1,710 | - | 1,710 | - | 1,710 |
| Changes in fair value of equity investments at fair value through other comprehensive income | - | - | - | - | (3,966) | - | - | (3,966) | - | (3,966) |
| Total comprehensive income/(loss) for the period | - | - | - | - | (3,966) | 1,710 | (33,664) | (35,920) | (1,523) | (37,443) |
| Disposal of subsidiaries | - | - | - | (1,344) | - | - | 1,344 | - | - | - |
| At 30 June 2022 | 4,946 | 130,168 | 10,000 | 7,241 | (2,817) | (7,679) | (48,567) | 93,292 | 7,778 | 101,070 |
| At 31 December 2022 and at 1 January 2023 | 4,946 | 130,168* | 10,000* | 7,241* | (546)* | (5,860)* | (97,365)* | 48,584 | 5,763 | 54,347 |
| Loss for the period | - | - | - | - | - | - | (10,416) | (10,416) | (128) | (10,544) |
| Other comprehensive income/(loss) for the period: | | | | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | - | - | 5,660 | - | 5,660 | - | 5,660 |
| Changes in fair value of equity investments at fair value through other comprehensive income | - | - | - | - | (2,471) | - | - | (2,471) | - | (2,471) |
| Total comprehensive income/(loss) for the period | - | - | - | - | (2,471) | 5,660 | (10,416) | (7,227) | (128) | (7,355) |
| Issue of shares upon placing of shares (note 14) | 582 | 87,597 | - | - | - | - | - | 88,179 | - | 88,179 |
| At 30 June 2023 | 5,528 | 217,765* | 10,000* | 7,241* | (3,017)* | (200)* | (107,781)* | 129,536 | 5,635 | 135,171 |

* These reserve accounts comprise the consolidated reserves of RMB124,008,000 (31 December 2022: RMB43,638,000) in the interim condensed consolidated statement of financial position as at 30 June 2023.

Interim Condensed Consolidated Statement of Cash Flows

| | Notes | Six months ended 30 June | |
|--|-------|--------------------------------|--------------------------------|
| | | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before tax | | (10,193) | (35,090) |
| Adjustments for: | | | |
| Finance costs | | 163 | 26 |
| Share of results of associates | | 33 | 214 |
| Interest income | 4 | (15) | (351) |
| Depreciation of property, plant and equipment | 5 | 484 | 97 |
| Depreciation of right-of-use assets | 5 | 412 | 253 |
| Impairment of trade receivables, net | | 1,039 | 12,721 |
| Impairment/(reversal of impairment) of deposits and other receivables | 5 | (26) | 7,927 |
| Impairment of interests in associates | 5 | 3,086 | - |
| Write-off of items of property, plant and equipment | 5 | - | 24 |
| Loss on disposal of subsidiaries | | - | 4 |
| Loss on deemed disposal of an associate | | - | 96 |
| Fair value gain on financial asset at fair value through profit or loss, net | | - | 93 |
| | | (5,017) | (13,986) |
| Decrease/(increase) in trade receivables | | (53,267) | 2,466 |
| Decrease/(increase) in prepayments, deposits and other receivables | | (28,549) | 13,852 |
| Increase/(decrease) in trade payables | | 28,190 | (1,764) |
| Increase/(decrease) in contract liabilities | | 2,907 | (6,728) |
| Decrease in other payables and accruals | | (657) | (671) |
| Cash used in operations | | (56,393) | (6,831) |
| Taxes paid | | (25) | (46) |
| Net cash flows used in operating activities | | (56,418) | (6,877) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | | 15 | 351 |
| Purchases of items of property, plant and equipment | | (769) | - |
| Increase in amount due from an associate | | (6) | - |
| Net cash flows from/(used in) investing activities | | (760) | 351 |

Interim Condensed Consolidated Statement of Cash Flows *(continued)*

| | Six months ended 30 June | |
|---|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 88,179 | - |
| Lease payments | (386) | (282) |
| Repayment of loans from a fellow subsidiary | (3,000) | - |
| Repayment of loans from the ultimate holding company | (17,232) | - |
| Loans from a fellow subsidiary | 3,570 | 5,000 |
| Loans from the ultimate holding company | 16,261 | - |
| Net cash flows from financing activities | 87,392 | 4,718 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 30,214 | (1,808) |
| Cash and cash equivalents at beginning of period | 20,715 | 12,128 |
| Effect of foreign exchange rate changes, net | 1,543 | 1,222 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 52,472 | 11,542 |
| ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS | | |
| Bank balances | 52,472 | 11,542 |

Notes to the Interim Condensed Consolidated Financial Information

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room B102, 1st Floor, Dongcheng Building, 58 Jianzhong Road, Tianhe District, Guangzhou, PRC. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 March 2020.

During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the development and operation of mobile games, the distribution of digital media content and gaming products supply in China and overseas.

In the opinion of the Directors, the ultimate holding company of the Company is Infinities Technology (Cayman) Holding Limited, a company incorporated in the Cayman Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and financial asset at fair value through profit or loss which have been measured at fair value. They are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

| | |
|---|---|
| HKFRS 17 | <i>Insurance Contracts</i> |
| Amendments to HKFRS 17 | <i>Insurance Contracts</i> |
| Amendment to HKFRS 17 | <i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i> |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | <i>Disclosure of Accounting Policies</i> |
| Amendments to HKAS 8 | <i>Definition of Accounting Estimates</i> |
| Amendments to HKAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> |
| Amendments to HKAS 12 | <i>International Tax Reform – Pillar Two Model Rules</i> |

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon initial application.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact on the financial position or performance of the Group.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in mobile game development and operation, digital media content distribution and gaming products supply in China and overseas. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

All significant external customers of the Group are located in China. Accordingly, no geographical information of revenue from external customers is presented.

(b) Non-current assets

All significant non-current assets of the Group are located in China. Accordingly, no geographical information of non-current assets is presented.

Information about major customers

Revenue of gaming products supply approximately RMB33,426,000 was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer for the six months ended 30 June 2023.

No revenues from the Group's transactions with a single customer amounted to 10% or more of the Group's revenues for the six months ended 30 June 2022.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

| | Six months ended 30 June | |
|--|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| <i>Revenue from contracts with customers</i> | | |
| Types of goods and services | | |
| Mobile games | | |
| – Development and operation | 54,833 | 40,017 |
| – Information services | 6,865 | 240 |
| Digital media | | |
| – Content distribution | 1,209 | 2,940 |
| – Advertisement distribution services | 19,095 | – |
| – Subscription fee of AIGC mobile app | 21,221 | – |
| Gaming products supply | 39,564 | – |
| Total revenue from contracts with customers | 142,787 | 43,197 |
| Geographical markets | | |
| China | 142,212 | 43,197 |
| Others | 575 | – |
| Total revenue from contracts with customers | 142,787 | 43,197 |
| Timing of revenue recognition | | |
| Point in time (note (a)) | 66,733 | 3,180 |
| Over time (note (b)) | 76,054 | 40,017 |
| Total revenue from contracts with customers | 142,787 | 43,197 |

Notes:

- (a) Including revenue from gaming products supply, advertising distribution services, digital media content distribution and information services, for which the revenue is recognised at the point in time when control of the respective good or service is transferred to the customer.
- (b) Including revenue from (i) subscription fee of AIGC mobile app; and (ii) multi-player mobile games, which the Group has an implied obligation to provide the service which enables the virtual items to be consumed, revenue is recognized ratably over the estimated average playing period of paying players, starting from the time when virtual items are delivered to the players' accounts and all other revenue recognition criteria are met.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

4. REVENUE AND OTHER INCOME *(Continued)*

An analysis of other income is as follows:

| | Six months ended 30 June | |
|---------------------|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| Other income | | |
| Interest income | 15 | 351 |
| Government grants* | 700 | 301 |
| Others | 1,187 | 140 |
| | 1,902 | 792 |

* Various government grants of approximately RMB700,000 were received by certain subsidiaries as these subsidiaries were qualified as High and New Technology Enterprises in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

| | Six months ended 30 June | |
|--|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| Cost of sales | 119,140 | 42,325 |
| Depreciation of property, plant and equipment | 484 | 97 |
| Depreciation of right-of-use assets | 412 | 253 |
| Lease payments not included in the measurement of lease liabilities | 1,271 | 89 |
| Employee benefit expense (including directors' remuneration): | | |
| Wages, salaries, bonuses and allowances | 10,034 | 4,494 |
| Pension scheme contributions* | 1,405 | 413 |
| | 11,439 | 4,907 |
| Impairment/(reversal of impairment) of deposits and other receivables# | (26) | 7,927 |
| Impairment of interests in associates# | 3,086 | - |
| Write-off of items of property, plant and equipment# | - | 24 |

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions

Included in "Other expenses" in the interim condensed consolidated statement of profit or loss

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

6. INCOME TAX EXPENSE

All subsidiaries of the Group established in the PRC are subject to PRC corporate income tax at a standard rate of 25% (six months ended 30 June 2022: 25%) during the period, except for:

- (i) Certain subsidiaries of the Group, which qualified as High and New Technology Enterprises in Mainland China, were entitled to a lower PRC corporate income tax rate of 15% (six months ended 30 June 2022: 15%); and
- (ii) Certain subsidiaries of the Group applied the Small-Scaled Minimal Profit Enterprise Income Tax Preferential Policy announced by the PRC's State Administration of Taxation.

| | Six months ended 30 June | |
|--------------------------|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| Current — Mainland China | | |
| Charge for the period | 351 | 97 |

7. DIVIDENDS

The board of directors does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share for the period is based on the loss for the period attributable to ordinary equity holders of the parent of RMB10,416,000 (six months ended 30 June 2022: RMB33,664,000), and the weighted average number of ordinary shares of 568,205,693 (six months ended 30 June 2022: 546,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, additions of items of property, plant and equipment amounted to RMB769,000 (six months ended 30 June 2022: Nil).

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

10. TRADE RECEIVABLES

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|-------------------|---|---|
| Trade receivables | 119,509 | 65,651 |
| Impairment | (39,965) | (38,926) |
| | 79,544 | 26,725 |

The Group's trading terms with its debtors are on credit. The credit periods range from 30 to 90 days during the period. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's associates of RMB13,153,000 (31 December 2022: RMB13,303,000), which are repayable on credit terms similar to those offered to the major debtors of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|-----------------|---|---|
| Within 30 days | 24,507 | 7,075 |
| 31 to 60 days | 20,312 | 1,466 |
| 61 to 90 days | 7,040 | 1,182 |
| 91 to 180 days | 9,212 | 435 |
| 181 to 365 days | 2,962 | 1,145 |
| Over 365 days | 15,511 | 15,422 |
| | 79,544 | 26,725 |

During the six months ended 30 June 2023, the impairment of trade receivables, net amounted to RMB1,039,000 (six months ended 30 June 2022: RMB12,721,000).

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|--|---|---|
| Prepayments | 59,842 | 25,972 |
| Deposits and other receivables | 11,518 | 13,574 |
| | 71,360 | 39,546 |
| Less: Portion classified as non-current assets | (9,591) | (115) |
| | 61,769 | 39,431 |

Included in the Group's deposits and other receivables is an amount due from an associate of RMB500,000 (31 December 2022: RMB500,000), which is unsecured, interest-free and is repayable within one year.

The movements in the loss allowance for impairment of deposits and other receivables are as follows:

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|--|---|---|
| At beginning of year | 13,237 | 4,026 |
| Impairment/(reversal of impairment) (Note 5) | (26) | 9,211 |
| At end of period/year | 13,211 | 13,237 |

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

12. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|----------------|---|---|
| Within 1 month | 11,622 | 9,472 |
| 1 to 2 months | 13,164 | 3,412 |
| 2 to 3 months | 6,223 | 357 |
| Over 3 months | 19,302 | 8,880 |
| | 50,311 | 22,121 |

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 90 days.

13. OTHER PAYABLES AND ACCRUALS

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|--------------------|---|---|
| Other payables | 10,360 | 12,237 |
| Other tax payables | - | 454 |
| Accruals | 5,455 | 3,781 |
| | 15,815 | 16,472 |

Other payables are unsecured and non-interest-bearing and have an average term of 30 days.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

14. ISSUED CAPITAL

| | 30 June 2023 RMB'000 (Unaudited) | 31 December 2022 RMB'000 (Audited) |
|---|---|---|
| Authorized: 2,000,000,000 ordinary shares of HK\$0.01 each | 18,015 | 18,015 |
| Issued and fully paid: 612,987,174 (31 December 2022: 546,000,000) ordinary shares of HK\$0.01 each | 5,528 | 4,946 |

A summary of movements in the Company's issued share capital during the period is as follows:

| | <i>Note</i> | No. of shares | Share capital HK\$'000 | Equivalent to RMB RMB'000 |
|--|-------------|----------------------|-----------------------------------|--------------------------------------|
| At 1 December 2022, 31 December 2022 and 1 January 2023 | | 546,000,000 | 5,460 | 4,946 |
| Issue of shares upon placing of shares | <i>(a)</i> | 66,987,174 | 670 | 582 |
| At 30 June 2023 | | 612,987,174 | 6,130 | 5,528 |

Note:

- (a) On 2 May 2023, the Company has allotted and issued a total of 66,987,174 new ordinary shares to not less than six independent places at a price of HK\$1.775 per share, representing approximately 12.27% of the existing issued share capital of the Company before completion of the allotment and approximately 10.93% of the enlarged issued share capital of the Company.

15. CONTINGENT LIABILITIES

Reference was made to the litigation announcement of the Company dated 18 January 2022 in relation to disputes of infringement of copyrights and unfair competition that the plaintiff initiated legal proceedings to claim for economic loss, together with other expenses, against defendants, which include an indirectly non-wholly owned subsidiary of the Company. Based on the progress of the proceeding to date, it is not possible to give a firm evaluation of the likelihood of the outcome or estimate the possible amount of loss, if any, and the Company believes that the outcome of such proceeding will have no material financial impact on the Group. No provision for disputed costs has been made in the consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

16. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

| | Notes | Six months ended 30 June | |
|---|-------|--------------------------------|--------------------------------|
| | | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| <i>A related company:</i> | | | |
| Financial advisory and company secretary service fee | (i) | - | 672 |
| <i>Associates:</i> | | | |
| Channel fee | (ii) | - | 14 |
| <i>A fellow subsidiary and the ultimate holding company</i> | | | |
| Loans interest expenses | 16(b) | 129 | - |
| <i>Fellow subsidiaries</i> | | | |
| Gaming products supply | (iii) | 33,426 | - |

Notes:

- (i) The service fee was charged by a related company based on terms agreed between the relevant parties. Mr. Tsui Wing Tak is a director and/or beneficial shareholder of the related company. Mr. Tsui Wing Tak resigned as the director of the Company on 23 May 2022.
- (ii) The channel fee was charged by the associates based on the terms mutually agreed between the relevant parties.
- (iii) During the period, RMB33,426,000 of gaming products were sold by the Group to subsidiaries of infinities Cayman, (i.e., fellow subsidiaries of the Group).

(b) Outstanding balance with related parties:

As at 30 June 2023, the Group had loans from a fellow subsidiary of RMB10,719,000 (31 December 2022: RMB10,062,000). The balance is unsecured, bears an interest at ranging from 1.825% to 1.988% per annum, and repayable in 2024.

As at 30 June 2023, the Group had loans from the ultimate holding company of RMB5,356,000 (31 December 2022: RMB6,497,000). The balance is unsecured, bears an interest at 1.000% per annum, and repayable in 2024.

(c) Compensation of key management personnel of the Group:

| | Six months ended 30 June | |
|---|--------------------------------|--------------------------------|
| | 2023 RMB'000 (Unaudited) | 2022 RMB'000 (Unaudited) |
| Short term employee benefits | 1,993 | 682 |
| Post-employment benefits | 182 | 29 |
| Total compensation paid to key management personnel | 2,175 | 711 |

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, amount due from an associate, trade payables, loans from a fellow subsidiary and the ultimate holding company, and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption were used to estimate the fair values:

The fair values of unlisted equity investments designated at fair value through other comprehensive income are estimated based on the price multiple determined with reference to comparable public companies and include appropriate risk adjustments for lack of marketability.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2023

| | Fair value measurement using | | | Total RMB'000 (Unaudited) |
|--|--|--|--|---------------------------------|
| | Quoted prices in active markets (Level 1) RMB'000 (Unaudited) | Significant observable inputs (Level 2) RMB'000 (Unaudited) | Significant unobservable inputs (Level 3) RMB'000 (Unaudited) | |
| Equity investments designated at fair value through other comprehensive income | - | - | 5,853 | 5,853 |

Notes to the Interim Condensed Consolidated Financial Information *(continued)*

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Assets measured at fair value: *(Continued)*

As at 31 December 2022

| | Fair value measurement using | | | Total RMB'000 (Audited) |
|---|--|--|--|-------------------------------|
| | Quoted prices in active markets (Level 1) RMB'000 (Audited) | Significant observable inputs (Level 2) RMB'000 (Audited) | Significant unobservable inputs (Level 3) RMB'000 (Audited) | |
| Equity investments designated at fair value through other comprehensive income | - | - | 8,324 | 8,324 |

The Group did not have any financial liabilities measured at fair value as at 30 June 2023 and 31 December 2022.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2022: Nil).

18. APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the Board on 28 August 2023.

Definitions

| | |
|--|--|
| “ARPPU” | average gross receipts per paying user, calculated by dividing the average gross receipts during a certain period by the average number of paying users during the same period |
| “Audit Committee” | the audit committee of the Board |
| “Board” or “Board of Directors” | the board of Directors of the Company |
| “BVI” | the British Virgin Islands |
| “Cayman Islands” | the Cayman Islands |
| “Chairman” | the chairman of the Board |
| “Chengdu Benying” | Chengdu Benying Interactive Entertainment Technology Company Limited (成都犇贏互娛科技有限公司), a company established under the laws of the PRC with limited liability on 30 June 2022 and by virtue of the Contractual Arrangements, accounted for as our subsidiary |
| “Chengdu Zhile” | Chengdu Zhile Interactive Technology Company Limited (成都指樂互動科技有限公司), a company established under the laws of the PRC with limited liability on 24 June 2022 and by virtue of the Contractual Arrangements, accounted for as our subsidiary |
| “Company” | Infinites Technology International (Cayman) Holding Limited (多牛科技國際(開曼)集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands under the Cayman Islands Companies Law on 5 February 2018, whose Shares became listed on the Main Board of the Stock Exchange on 17 March 2020 |
| “connected transaction(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Contractual Arrangement(s)” | the series of contractual arrangements entered into between WFOE, Guangzhou Jiu Zun, Chengdu Zhile, Chengdu Benying and the relevant shareholders, details of which are set out in the section headed “Contractual Arrangements” of the 2022 Annual Report |
| “Corporate Governance Code” or “CG Code” | the Corporate Governance Code as set out in Appendix 14 to the Listing Rules |
| “Director(s)” | director(s) of the Company |

Definitions *(continued)*

| | |
|---|--|
| “Executive Director(s)” | executive Director(s) of the Company |
| “First Half 2022” | the six months ended 30 June 2022 |
| “First Half 2023” | the six months ended 30 June 2023 |
| “Group” or “the Group” | the Company and its subsidiaries, collectively |
| “Guangzhou Jiu Zun” | Guangzhou Jiu Zun Digital Entertainment Technology Development Company Limited* (廣州市九尊數娛科技發展有限公司), a company established under the laws of the PRC with limited liability on 13 April 2018 and by virtue of the Contractual Arrangements, accounted for as our subsidiary |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong dollars”, “HKD” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Non-executive Director(s)” | independent non-executive Director(s) of the Company |
| “Infinites B&M” | Infinites B&M Technology Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of Infinites Cayman |
| “Infinites Cayman” | Infinites Technology (Cayman) Holding Limited, a company incorporated in the Cayman Islands with limited liability and was held as to approximately 24.76% by its largest shareholder (i.e. Zhouqinhantang Technology Management Ltd.) and approximately 75.24% by 37 minority shareholders. Zhouqinhantang Technology Management Ltd. is a company incorporated in the BVI and was indirectly controlled by Mr. Wang Le (who is an Executive Director) as to 50% and Ms. An Fenghua as to 50% |
| “Infinites Global” | Infinites Global Technology Limited Partnership, a limited company formed in the BVI with limited liability and is owned as to approximately 53.74% by Infinites Worldwide, which is its sole general partner. Infinites Global held approximately 53.69% of the issued Shares |
| “Infinites Technology Group” | Infinites Technology Group* (多牛科技集團) |
| “Infinites Worldwide” | Infinites Worldwide Technology Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of Infinites B&M |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

Definitions *(continued)*

| | |
|--------------------------------|--|
| “Main Board” | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange |
| “Model Code” | the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix 10 to the Listing Rules |
| “MPU(s)” | monthly paying users |
| “Nomination Committee” | the nomination committee of the Board |
| “Non-executive Director(s)” | non-executive Director(s) of the Company |
| “PRC” or “Mainland China” | the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Remuneration Committee” | the remuneration committee of 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, supplemented or otherwise modified from time to time |
| “Share Option Scheme” | the share option scheme conditionally adopted by our Company on 21 February 2020 for the benefit of our Directors, members of senior management, employees and other eligible participants defined in the scheme |
| “Share(s)” | ordinary share(s) in the share capital of our Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary” or “subsidiaries” | has the meaning ascribed to it in the Listing Rules |
| “virtual item” | virtual item(s) which enhance the players’ gaming experience, by, for example, enhancing the powers, abilities or attractiveness |
| “%” | per cent |
| “2022 Annual Report” | the annual report of the Company for the year ended 31 December 2022 |

* *For identification purposes only*