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**Fulu Holdings Limited**

**福祿控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2101)**

## **PROFIT WARNING**

This announcement is made by Fulu Holdings Limited (the “**Company**”, together with its subsidiaries and its consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the current preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2021 (the “**Current Year**”), it is expected that gross merchandize value (“**GMV**”)<sup>Note 1</sup> of digital goods of the Group for the Current Year will increase by approximately 40% to 60% as compared to the same period in 2020, and the revenue recorded will increase by approximately 15% to 30%, which is primarily driven by the business growth in three segments covering the leisure and entertainment, telecommunications and lifestyle. However, the Group’s profit for the year is expected to decrease by approximately 30% to 50% in the Current Year as compared to the same period in 2020. The change in profit for the year was mainly attributable to the significant increase of recognition of share-based payment expenses in the Current Year based on the accounting standards applicable to the Company as a result of the grant of the Company’s shares to the core personnel of the Group by the controlling shareholders of the Company during the Current Year.

*Note:*

- 1 GMV refers to gross merchandize value, which equals the sales price per item (inclusive of VAT) multiplied by the number of items sold. The GMV of digital goods transactions we facilitated as disclosed by the Group excludes the GMV of digital goods transactions that occur in online stores we operate for digital goods vendors.

The Group's adjusted profit for the year <sup>Note 2</sup> will increase by approximately 5% to 15% in the Current Year as compared to the same period in 2020. The overall operating conditions of the Group in the Current Year was satisfying. Although profit for the year is lower than that in 2020 due to share-based payments, the expenses have no impact on the cash flow and operating conditions of the Group. The Board is confident of the long-term development and prospects of the Group.

The Company is in the process of finalizing the consolidated annual results for the Current Year. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited management accounts of the Group and other financial information currently available, which have not been audited or reviewed by the Company's auditors or the audit committee of the Company. Shareholders and potential investors should refer to the annual results announcement of the Company for the Current Year, which is expected to be published in late March 2022, for details of the performance of the Group.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Fulu Holdings Limited**  
**Fu Xi**  
*Chairman*

Wuhan, Hubei Province, China  
March 9, 2022

*As of the date of this announcement, the Board comprises Mr. Fu Xi, Mr. Zhang Yuguo, Mr. Shui Yingyu, Mr. Zhao Bihao and Mr. Mao Feng as executive directors; and Mr. Li Wai Chung, Ms. Wang Yuyun and Mr. Wong Sincere as independent non-executive directors.*

*Note:*

2 The Group defines "adjusted profit for the year" as profit for the year, adding back listing expenses, foreign exchange gains and losses as well as share-based payments. Adjusted profit for the year is not a measure required by or presented in accordance with International Financial Reporting Standards. Shareholders and potential investors should not consider it as a substitute for the results of operations or financial condition as reported under International Financial Reporting Standards.