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福祿控股
Fulu Holdings Limited
福祿控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2101)

VOLUNTARY ANNOUNCEMENT

This announcement is made by Fulu Holdings Limited (the “**Company**”, together with its subsidiaries and its consolidated affiliated entities, the “**Group**”) on a voluntary basis.

Reference is made to the prospectus of the Company dated 7 September 2020 (the “**Prospectus**”). Unless otherwise stated, definitions used in this announcement shall have the same meanings as those defined in the Prospectus.

As disclosed in the section headed “Contractual Arrangements – Tibet Huluwa” in the Prospectus, as of the Latest Practicable Date (being 28 August 2020), Tibet Huluwa did not hold ICB license or ICP license, and had yet to commence substantive business operation. As part of the Group’s business strategy, Tibet Huluwa plans to take up some of the businesses previously carried out by Tibet Fulu. Tibet Huluwa may also engage in the online games virtual currency/tools trading business (the “**Restricted Activity**”) in future, which constitutes a “foreign-prohibited” business sector under the Negative List. Additionally, under the favorable tax policies implemented by the Tibet local government, the effective tax rate applicable to Tibet Huluwa is about 15%, much lower than that of the Group’s other operating entities. In view of the above, the Company believes that controlling Tibet Huluwa through the Contractual Arrangements will be in our best interests. Meanwhile, the Company undertakes that the annual revenue generated by Tibet Huluwa will represent no more than 5% of the total annual revenue of the Group (the “**5% threshold**”) after the Listing, and the Company will adopt a series of measures to monitor and control the scale of operation of Tibet Huluwa, so as to ensure that the Contractual Arrangements are narrowly tailored.

In order to enhance the management efficiency of the Group, optimize resource allocation, and strengthen the performance of evaluation and incentive for each subsidiary, the Group has decided to transfer some of the business previously carried out by Wuhan Fulu, Tibet Fulu, and Wuhan Lishuo to Tibet Huluwa. The transferred businesses primarily include the provision of services facilitating digital commodity transactions (covering the leisure and entertainment and lifestyle services sectors) and the provision of corresponding value-added services, which include, but are not limited to, operating online stores for digital commodity providers in the leisure and entertainment and lifestyle services sectors, establishing online sales platforms for digital commodity consumption scenarios, offering targeted marketing services, providing user acquisition and management services, and delivering IT solutions.

According to relevant PRC laws and as advised by our PRC legal advisor, the Restricted Activity provided by Tibet Huluwa falls within the scope of “value-added telecommunication services business including internet information services” under the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) and Regulations for the Administration of Foreign Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on 11 December 2001 and/or the “internet culture activities” under the Interim Administrative Provisions on Internet Culture (《互聯網文化管理暫行規定》) promulgated by the MOC of PRC on 17 February 2011, which constitutes a “foreign-prohibited” business sector under the Negative List. Therefore, it is still necessary to exercise indirect control through the Contractual Arrangements by the Company’s consolidated affiliated entities. In addition, benefiting from the favorable tax policies implemented by the Tibet local government, the effective tax rate applicable to Tibet Huluwa is about 15%, much lower than that of the Group’s other operating entities. Thus, we believe it will be in the best interests of the Company and its shareholders to utilize Tibet Huluwa to carry out relevant business.

Given that Tibet Huluwa has carried out business subject to foreign investment restrictions, as the business continues to develop, the previously set 5% threshold is no longer aligned with the actual operational needs of current business. As such, the 5% threshold will no longer be applicable. The Board believes that, as the Restricted Activity remains subject to foreign investment regulations, the Contractual Arrangements will remain narrowly tailored even after the removal of the 5% threshold.

By order of the Board
Fulu Holdings Limited
Fu Xi
Chairman

Wuhan, Hubei Province, China
27 March 2025

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