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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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

The Board of Fulu Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company for the year ended December 31, 2024. The consolidated financial statements for the year ended December 31, 2024 have been audited by the Company’s auditor and have been reviewed by the Audit Committee.

**SUMMARY**

**FINANCIAL HIGHLIGHTS**

	<b>For the year ended</b>		<b>Increase/</b>
	<b>December 31,</b>		<b>(Decrease)</b>
	<b>2024</b>	<b>2023</b>	
	<i>(RMB'000)</i>		<i>%</i>
Revenue	<b>359,790</b>	560,406	(35.8)
Gross profit	<b>254,217</b>	416,175	(38.9)
Profit before tax	<b>26,029</b>	95,362	(72.7)
Profit and total comprehensive income for the year	<b>19,408</b>	80,129	(75.8)
Attributable to:			
Owners of the parent	<b>20,164</b>	91,614	(78.0)
Non-controlling interests	<b>(756)</b>	(11,485)	(93.4)
Basic earnings per share <i>(RMB)</i>	<b>0.05</b>	0.23	(78.3)

## **BUSINESS OVERVIEW AND OUTLOOK**

### **BUSINESS OVERVIEW**

In 2024, our GMV was RMB9,244,575 thousand, representing a decrease of 44.1% over RMB16,537,286 thousand in 2023. Among them, GMV from the lifestyle segment decreased by 38.4% year-on-year to RMB3,309,176 thousand; GMV from the leisure and entertainment segment decreased by 39.3% year-on-year to RMB3,121,293 thousand; GMV from the telecommunications segment decreased significantly by 85.2% year-on-year to RMB315,261 thousand; GMV from the games segment decreased by 41.2% year-on-year to RMB1,817,199 thousand; and GMV from the corporate welfare segment decreased by 16.2% year-on-year to RMB681,646 thousand.

#### *Lifestyle segment*

In 2024, the performance of the lifestyle segment declined. In the context of cost reduction and efficiency enhancement, some brands and sales channels tightened their policies, adjusted business cooperation models, and reduced marketing budgets on e-commerce platforms. At the same time, facing intense low-price competition, we strategically offered benefits to customers and consumers and suspended some high-volume but low-margin businesses. These factors led to the GMV from lifestyle segment decreasing by 38.4% year-on-year to RMB3,309,176 thousand; revenue decreased by 27.6% year-on-year to RMB88,037 thousand, accounting for 24.5% of the Company's total revenue; gross profit decreased by 21.1% year-on-year to RMB63,330 thousand, but the gross profit margin increased by 5.9% year-on-year.

Despite the challenges, the lifestyle segment still holds broad prospects and significant growth potential, driven by economic stimulus policies and digital transformation, and remains a key area of exploration for us. In 2024, we focused on deep cultivation in the food and beverage, tea and coffee, and film and television industries. With the accelerated digital transformation of traditional food and beverage, the market share of dining voucher products has been expanding year by year. Meanwhile, the demand for incremental distribution channels from third-party providers is also growing among dining brands and platforms. During the year of 2024, we added agency operations services for Tmall stores of some brands.

The film industry, which we newly entered, also presents numerous opportunities and greater potential. In 2024, we established new partnerships with several brands in the movie ticketing sector. Although the national box office in 2024 was not satisfactory and had some impact on our performance, we anticipate an improvement in 2025, presenting growth opportunities for us. In addition, leveraging the benchmark case of a well-known coffee brand on the Douyin platform, we have fully demonstrated our operational expertise and full-case agency operations capabilities in the live-streaming e-commerce sector, efficiently meeting brands' one-stop marketing needs on Douyin platform. This helps us quickly capture market share in the film and catering vertical market. We will continue to expand cooperation opportunities with more lifestyle brands and categories, actively explore cooperation models with local brands, enhance our production and research capabilities to further improve service barriers, and launch diversified products to lower product conversion thresholds, enhance our competitiveness, and continuously expand and deepen cooperation with more sales channels and e-commerce platforms.

### ***Leisure and entertainment segment***

In 2024, as one of our major revenue sources, the performance of leisure and entertainment segment was not satisfactory. Amid changes in the external market environment and in the context of cost reduction and efficiency enhancement, some brands and sales channels tightened their policies, adjusted business cooperation models, and reduced marketing budgets on e-commerce platforms. At the same time, consumer sensitivity to prices has increased, leading to more intense low-price competition in the industry. To address these challenges, we strategically offered benefits to customers and consumers and suspended some high-volume but low-margin businesses. In addition, declining consumer purchasing power and a preference for selective purchases within the same product category led to reduced market demand. These factors collectively squeezed the business scale and profit margins of the leisure and entertainment segment. Specifically, the GMV from leisure and entertainment segment decreased by 39.3% year-on-year to RMB3,121,293 thousand; revenue decreased significantly by 53.7% year-on-year to RMB116,297 thousand, accounting for 32.3% of the Company's total revenue; gross profit decreased significantly by 60.9% year-on-year to RMB77,546 thousand and the gross profit margin decreased by 12.3% year-on-year.

Currently, the leisure and entertainment market has matured, and overall growth has slowed down. Although we have partnered with most audiovisual and video-based brands in the market, industry competition is increasingly competitive. Additionally, brands and customers' demand for refined operations are constantly increasing, which poses new challenges to improving per capita efficiency and commercialization capabilities.

To address this, we have actively adjusted our strategies. On the one hand, we have strengthened communication and collaboration with brands and customers, deeply understanding their needs and jointly exploring cooperation models that better meet market demands, thereby improving cooperation efficiency and service quality. On the other hand, we have actively explored emerging social e-commerce platforms and other sales channels, leveraging our operational advantages and innovation capabilities to further enhance commercialization levels and provide consumers and customers with more diversified consumption options. During the year of 2024, by expanding our collaborations with new brands, we have further enriched our product line, meeting the needs of different consumers. We are committed to gradually restoring and improving the market performance of the leisure and entertainment segment.

### ***Telecommunications segment***

In recent years, the telecommunications industry has seen continuous policy adjustments, particularly changes in the agency policies of telecommunications operators and the continuous reductions in their marketing budgets. Given that the telecommunications segment, while contributing to GMV, required a significant investment in working capital and had a low gross profit margin, we decided to significantly reduce the business scale of this segment and reallocate resources to business areas with higher gross profit margins and greater potentials.

This business adjustment led to a noticeable decline in the financial performance of the telecommunications segment in 2024, with GMV significantly decreasing by 85.2% year-on-year to RMB315,261 thousand; revenue significantly decreased by 69.9% to RMB5,183 thousand on a year-on-year basis, accounting for only 1.4% of the Company's total revenue; gross profit sharply declined year-on-year by 86.2% to RMB1,242 thousand, and the gross profit margin decreased on a year-on-year basis by 28.2%. Although the telecommunications segment's business has been reduced, we believe that such optimization of resource allocation will improve capital return rates and enhance the Group's competitiveness in the market.

### ***Games segment***

In 2024, the game segment experienced moderate performance impacts, primarily due to strategic adjustments and budget reduction by major developers in the gaming industry. Concurrently, we rationalized our supply chain structure and reduced the number of some third-party suppliers, which contributed to a significant year-on-year decline in GMV from the games segment by 41.2% to RMB1,817,199 thousand, revenue decreased by 17.0% to RMB64,714 thousand on a year-on-year basis, accounting for 18.0% of the Company's total revenue; gross profit decreased by 21.1% year-on-year to RMB36,417 thousand, and the gross profit margin decreased slightly by 2.9% year-on-year.

However, the overall outlook of the gaming industry remains positive and continues to improve, supported by an increasingly favorable policy environment. Despite the sluggish consumer economy, entertainment consumption, games in particular, as a niche within the "pleasure economy", defied the downward trend, exhibiting marked diversification in the market demand. The trend of cooperation between upstream and downstream enterprises in the gaming industry is gradually integrating with e-commerce, content platforms, and other industries, bringing us more opportunities for comprehensive full-case cooperation. An increasing number of game developers are exhibiting a strong demand for live-streaming e-commerce for games, and the number of game brands entering the market continues to grow.

In the live-streaming field of games-related digital products, we have become a leading service provider. We not only have a professional live-streaming team with strong capabilities in providing hardware and software services for game content e-commerce, but also possess a set of effective live-streaming method and a wealth of successful cases. In 2024, all our gaming clients were from the top 30 domestic game developers. We collaborated with well-known game developers such as Tencent Games, NetEase Games, Leiting Games, and Shiyue Games to produce over 100 live-streaming cases and successfully created five benchmark live-streaming cases with industry influence. These cases generated GMV in the tens of millions, fully validating the feasibility and huge potential of the live-streaming e-commerce model for games. We are committed to building a regularized and scalable business system to enhance the marketing proficiency of game content.

### ***Corporate welfare segment***

In 2024, the GMV of the corporate welfare segment decreased by 16.2% to RMB681,646 thousand on a year-on-year basis; revenue decreased by 7.6% year-on-year to RMB85,559 thousand, accounting for 23.8% of the Company's total revenue, and its revenue share gradually increased; gross profit decreased by 8.4% year-on-year to RMB75,682 thousand, while the gross profit margin remained stable.

Faced with the uncertainties of the current economic environment, we actively adjusted the strategies and objectives of our corporate welfare business. Previously, we focused on expanding market share and pursuing rapid business growth. However, under the current situation, we placed greater emphasis on balancing profit indicators, striving to find the optimal balance between scale and efficiency. For businesses with lower gross profit margin and longer credit periods, we conducted prudent screening to optimize the business structure and effectively improve overall operational efficiency by enhancing per capita efficiency. Although these adjustments led to a decline in GMV and revenue, the profitability of corporate welfare business segment improved compared to the same period last year. During the year of 2024, we focused on the digital platform development for state-owned and central enterprises, continuously increasing investment and resource allocation. We fully understand that becoming a trusted digital partner for state-owned and central enterprises is not only an opportunity for business expansion, but also a key to establishing ourselves as a benchmark in the industry. To this end, we conducted in-depth research into the business needs and operational models of state-owned and central enterprises, comprehensively understood their pain points and challenges, and customized a series of efficient and secure digital solutions to help them optimize business processes, achieve digital upgrades, and thereby enhance operational efficiency and market competitiveness. For example, we successfully completed the construction and upgrade of the welfare platform for China Communications Construction Group this year, and this self-developed digital solution for welfare and procurement was selected into the “2024 High-Quality Digital Transformation Technology Solutions Collection” (2024年度高質量數字化轉型技術解決方案集) by China Academy of Information and Communications Technology, fully demonstrating our technical strength in this field. Additionally, we continued to strengthen cooperation with upstream and downstream enterprises along the supply chain, actively building an ecosystem for collaborative development, empowering supply chain development, and committing to creating more value for the entire industry chain. Through deepening strategic partnerships with companies such as Eternal Asia (怡亞通), Staples (史泰博), Comix (齊心), and Deli (得力), we achieved resource sharing and mutually complementary advantages. We jointly explored innovative business models, continuously expanded market opportunities, and achieved mutual benefit and win-win results through cooperation.

In 2024, Beijing Fulu Fuxi was recognized as a national high-tech enterprise for its outstanding technological innovation capabilities and solid R&D strength, and won the “2024 Golden Flag Awards – Human Resources Service Industry Brand Award” and the “HRflag 2024 Top 100 China Human Resources Service Brands”. These awards fully reflect the industry’s broad recognition of our influence in the corporate welfare field and lay a solid brand foundation for future business development. They help us stand out in the market competition, attract more high-quality customers and partners, and further expand our business footprint.

## OUTLOOK

In 2025, the digital wave continues to surge forward, with the proportion of the digital economy in the overall economy constantly increasing. The strengthening of promotional policies and the widespread adoption of online consumption habits have further stimulated the potential of the digital goods market. As the digitalization process accelerates, new digital application scenarios keep cropping up, bringing unprecedented opportunities along with numerous challenges.

We will actively embrace the digital transformation wave, grasp the development opportunities brought by policies, fully leverage our advantages, and conduct in-depth exploration in the fields of digital consumption, AI technology applications, and e-commerce to uncover more monetization strategies for e-commerce scenarios, striving to transform these exploratory achievements into new competitive advantages and strong drivers for business growth.

At the same time, we are clearly aware of the increasingly fierce market competition and the trends of change in the upstream and downstream market landscape. We will examine market competition with a rational attitude, and explore in advance the layout of services and products. We firmly believe that relying solely on low-price competition is unsustainable, and the future core of competition will shift to “quality-to-price ratio” and meeting diversified consumer demands. To maintain a leading position in the fierce market competition and achieve new breakthroughs and development, we must broaden our thinking, change our approaches, and adapt to the changing times. Through continuous innovation, enhancing professional capabilities, optimizing operational models, improving management efficiency, closely following consumption trends, deeply integrating into the supply chain, continuously enriching product and service offerings, and adhering to our mission of “providing rich and interesting digital commerce”, we will unleash the long-term value of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth the consolidated statement of profit or loss and other comprehensive income comparative figures for the years ended December 31, 2024 and 2023:

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
<b>Revenue</b>	<b>359,790</b>	560,406
Cost of sales	<u>(105,573)</u>	<u>(144,231)</u>
<b>Gross profit</b>	<b>254,217</b>	416,175
Other income and gains	<b>15,709</b>	37,744
Selling and distribution expenses	<b>(93,500)</b>	(173,235)
Administrative expenses	<b>(97,010)</b>	(109,211)
Research and development costs	<b>(44,218)</b>	(58,571)
Impairment losses on financial and contract assets, net	<b>(3,273)</b>	(10,626)
Other expenses	<u>(2,223)</u>	<u>(3,356)</u>
<b>Operating profits</b>	<b>29,702</b>	98,920
Finance costs	<u>(3,673)</u>	<u>(3,558)</u>
<b>Profit before tax</b>	<b>26,029</b>	95,362
Income tax expense	<u>(6,621)</u>	<u>(15,233)</u>
<b>Profit and total comprehensive income for the year</b>	<u><b>19,408</b></u>	<u>80,129</u>
<b>Attributable to:</b>		
Owners of the parent	<b>20,164</b>	91,614
Non-controlling interests	<u>(756)</u>	<u>(11,485)</u>
<b>Non-IFRS measure adjusted profit attributable to owners of the parent for the year<sup>(1)</sup></b>	<u><b>26,163</b></u>	<u>99,962</u>

*Note:*

- (1) We define “adjusted profit attributable to owners of the parent for the year” as profit attributable to owners of the parent for the year, adding back foreign exchange gains and losses as well as share-based payment expenses. Adjusted profit attributable to owners of the parent for the year is not a measure required by or presented in accordance with IFRSs. The use of adjusted profit attributable to owners of the parent for the year has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRSs.

## REVENUE

Our revenue decreased by 35.8% from RMB560,406 thousand in 2023 to RMB359,790 thousand in 2024. The decrease in revenue was primarily due to a decrease in revenue from digital goods-related services as a result of the decrease in GMV of digital goods transactions.

### Revenue by Nature

Our revenue primarily includes (a) commissions from digital goods-related services; (b) commissions from physical goods-related services; and (c) service fees from online store operation services and other value-added services. The following table sets forth revenue breakdown by types of services in 2024 and 2023:

	For the year ended December 31,			
	2024		2023	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(RMB in thousands, except for percentage)</i>		<i>(RMB in thousands, except for percentage)</i>	
Digital goods-related services	207,831	57.8	438,072	78.1
Physical goods-related services	41,802	11.6	47,441	8.5
Value-added services				
Online store operation services	81,949	22.8	53,783	9.6
Others <sup>(1)</sup>	28,208	7.8	21,110	3.8
<b>Total</b>	<b>359,790</b>	<b>100.0</b>	<b>560,406</b>	<b>100.0</b>

Note:

(1) Include user acquisition and management services (e.g. flexible employment brokerage services, business travel services and platform services) and IT solutions.

**Digital goods-related services.** Revenue from digital goods-related services decreased by 52.6% from RMB438,072 thousand in 2023 to RMB207,831 thousand in 2024, primarily due to a decrease in the revenue from digital goods-related services as a result of a significant decrease in the GMV of digital goods transactions we facilitated.

**Physical goods-related services.** Revenue from physical goods-related services decreased by 11.9% from RMB47,441 thousand in 2023 to RMB41,802 thousand in 2024, primarily due to the restructuring of the corporate welfare business, which led to a decrease in the GMV of physical goods transactions and hence a decrease in related service revenue.

**Value-added services.** Our value-added services consist primarily of online store operation services and other value-added services. Revenue from online store operation services increased by 52.4% from RMB53,783 thousand in 2023 to RMB81,949 thousand in 2024, primarily due to our expansion of cooperation with brands by providing agency operation services for brand flagship stores, resulting in an increase in revenue from online stores operating services. Revenue from our other value-added services increased by 33.6% from RMB21,110 thousand in 2023 to RMB28,208 thousand in 2024, primarily due to an increase in revenue from flexible employment brokerage services, corporate welfare business travel services and game promotion.

## Revenue by Segment

We generate revenue from five business segments: (i) leisure and entertainment; (ii) games; (iii) telecommunications; (iv) lifestyle; and (v) corporate welfare. The following table sets forth revenue by segment in 2024 and 2023:

	For the year ended December 31, 2024		2023	
	<i>RMB</i> <i>(RMB in thousands,</i> <i>except for percentage)</i>	<i>%</i>	<i>RMB</i> <i>(RMB in thousands,</i> <i>except for percentage)</i>	<i>%</i>
Leisure and entertainment	116,297	32.3	250,974	44.8
Games	64,714	18.0	78,006	13.9
Telecommunications	5,183	1.4	17,241	3.1
Lifestyle	88,037	24.5	121,560	21.7
Corporate welfare	85,559	23.8	92,625	16.5
<b>Total</b>	<b>359,790</b>	<b>100.0</b>	<b>560,406</b>	<b>100.0</b>

The following table sets forth the GMV attributable to different segments for the years indicated:

	For the year ended December 31, 2024		2023	
	<i>RMB</i> <i>(RMB in thousands,</i> <i>except for percentage)</i>	<i>%</i>	<i>RMB</i> <i>(RMB in thousands,</i> <i>except for percentage)</i>	<i>%</i>
Leisure and entertainment	3,121,293	33.8	5,139,893	31.1
Games	1,817,199	19.7	3,091,306	18.7
Telecommunications	315,261	3.4	2,123,446	12.8
Lifestyle	3,309,176	35.8	5,368,886	32.5
Corporate welfare	681,646	7.3	813,755	4.9
<b>Total</b>	<b>9,244,575</b>	<b>100.0</b>	<b>16,537,286</b>	<b>100.0</b>

**Leisure and entertainment.** Revenue from the leisure and entertainment segment decreased by 53.7% from RMB250,974 thousand in 2023 to RMB116,297 thousand in 2024, primarily due to changes in the policies of certain leisure and entertainment brands and sales channels, adjustments to the cooperation model, and a reduction in marketing expenses on e-commerce platforms, resulting in a decrease in leisure and entertainment digital goods transactions we facilitated in the film and television membership and video live streaming field. The GMV of leisure and entertainment digital goods transactions we facilitated decreased by 39.3% from RMB5,139,893 thousand in 2023 to RMB3,121,293 thousand in 2024.

**Games.** Revenue from the games segment decreased by 17.0% from RMB78,006 thousand in 2023 to RMB64,714 thousand in 2024. The decrease in the revenue of the games segment was mainly due to the consolidation of our supply chain structure and the reduction of cooperation with some third-party suppliers, resulting in a significant decrease in gaming digital goods transactions. The GMV of games-related digital goods transactions we facilitated decreased by 41.2% from RMB3,091,306 thousand in 2023 to RMB1,817,199 thousand in 2024.

**Telecommunications.** Revenue from the telecommunications segment decreased by 69.9% from RMB17,241 thousand in 2023 to RMB5,183 thousand in 2024, mainly due to a general reduction in marketing expenses on e-commerce platforms as a result of the adjustment of agency policies for communication operators, resulting in a significant decrease in digital goods-related transactions in telecommunications segment. The GMV of digital goods-related transactions in telecommunications segment we facilitated decreased significantly by 85.2% from RMB2,123,446 thousand in 2023 to RMB315,261 thousand in 2024.

**Lifestyle.** Revenue from the lifestyle segment decreased by 27.6% from RMB121,560 thousand in 2023 to RMB88,037 thousand in 2024, primarily due to the adjustment of cooperation with some channel customers, resulting in a decrease in digital goods transactions of the lifestyle segment. The GMV of lifestyle digital goods transactions we facilitated decreased by 38.4% from RMB5,368,886 thousand in 2023 to RMB3,309,176 thousand in 2024.

**Corporate welfare.** Revenue from the corporate welfare segment decreased by 7.6% from RMB92,625 thousand in 2023 to RMB85,559 thousand in 2024, primarily due to the optimization and adjustment of the structure of the corporate welfare business, which resulted in a decline in transactions of digital and physical goods related to corporate welfare. The GMV of the corporate welfare-related digital goods and physical goods transactions we facilitated decreased by 16.2% from RMB813,755 thousand in 2023 to RMB681,646 thousand in 2024.

The following table sets forth the GMV attributable to our key operating entities:

	<b>For the year ended December 31, 2024</b>	
	<b>GMV</b>	<b>% of the Group's total GMV</b>
	<i>(RMB in thousands, except for percentage)</i>	
Tibet Fulu	3,501,806	37.9%
Wuhan Fulu	2,198,669	23.8%
Wuhan Yiqiyoun	1,629,653	17.6%
Wuhan Souka	597,217	6.5%
Beijing Fulu Fuxi	479,791	5.2%
Hubei Kejin	216,069	2.3%
Beijing Yiji Qifu Technology Co., Ltd.	180,293	2.0%
Wuhan Lishuo	131,245	1.4%
Kashgar Yiqiwan	108,373	1.2%
Xinjiang Huluwa	26,460	0.3%
Beijing Fortune Travel Service Co., Ltd.	14,684	0.2%
Wuhan Yilu	14,620	0.2%
Jiangxi Fulu Network Technology Co., Ltd.	11,959	0.1%
Wuhan Fulu Information Technology Co., Ltd.	10,754	0.1%
Wuhan Tianshi	4,646	0.1%
Tibet Huluwa	4,360	0.0%
Xinjiang Fulu	3,534	0.0%

## **COST OF SALES**

Our cost of sales decreased by 26.8% from RMB144,231 thousand in 2023 to RMB105,573 thousand in 2024, primarily due to a significant decrease in the commission service fee required to be paid for the digital goods transactions we facilitated, as well as a decrease in labor costs of operating team.

### **Cost of Sales by Nature**

The following table sets forth the components of cost of sales in 2024 and 2023:

	<b>For the year ended December 31,</b>			
	<b>2024</b>		<b>2023</b>	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(RMB in thousands, except for percentage)</i>		<i>(RMB in thousands, except for percentage)</i>	
Commissions	20,684	19.6	43,484	30.1
Labor-related costs	75,140	71.2	89,689	62.2
Others <sup>(1)</sup>	9,749	9.2	11,058	7.7
<b>Total</b>	<b>105,573</b>	<b>100.0</b>	<b>144,231</b>	<b>100.0</b>

*Note:*

(1) Primarily include fixed-fees paid to digital goods sales channels and server and software costs.

Commissions decreased by 52.4% from RMB43,484 thousand in 2023 to RMB20,684 thousand in 2024, primarily due to a decrease in the commission service fee required to be paid as a result of the decrease in the digital goods transactions we facilitated.

Labour-related costs decreased by 16.2% from RMB89,689 thousand in 2023 to RMB75,140 thousand in 2024, primarily due to a decrease in labor costs as a result of the structural adjustment of our business operations team.

Other costs decreased by 11.8% from RMB11,058 thousand in 2023 to RMB9,749 thousand in 2024, primarily due to a decrease in service fees of the online stores operated and server hosting fees.

### Cost of Sale by Segment

The following table sets forth segment cost of sales in 2024 and 2023:

	For the year ended December 31,			
	2024		2023	
	RMB	%	RMB	%
	(RMB in thousands, except for percentage)		(RMB in thousands, except for percentage)	
Leisure and entertainment	38,751	36.7	52,794	36.6
Games	28,297	26.8	31,858	22.1
Telecommunications	3,941	3.7	8,240	5.7
Lifestyle	24,707	23.4	41,338	28.7
Corporate welfare	9,877	9.4	10,001	6.9
<b>Total</b>	<b>105,573</b>	<b>100.0</b>	<b>144,231</b>	<b>100.0</b>

**Leisure and entertainment.** Cost of sales from the leisure and entertainment segment decreased by 26.6% from RMB52,794 thousand in 2023 to RMB38,751 thousand in 2024, primarily due to a decrease in service commissions charged by sales channels of leisure and entertainment segment, while its operating team and labor dispatch labor costs decreased.

**Games.** Cost of sales from the games segment decreased by 11.2% from RMB31,858 thousand in 2023 to RMB28,297 thousand in 2024, primarily due to a decrease in service commissions charged by sales channels as a result of the decrease in GMV of games segment.

**Telecommunications.** Cost of sales from the telecommunications segment decreased by 52.2% from RMB8,240 thousand in 2023 to RMB3,941 thousand in 2024, primarily due to a corresponding decrease in commissions paid by us to e-commerce platforms as we facilitated less telecommunications-related digital goods transactions through e-commerce platforms.

**Lifestyle.** Cost of sales from the lifestyle segment decreased by 40.2% from RMB41,338 thousand in 2023 to RMB24,707 thousand in 2024, primarily due to a decrease in service commissions charged by sales channels as a result of the decrease in GMV of lifestyle segment and a significant decrease in labor costs of the operating team as a result of the optimization of the business structure.

**Corporate welfare.** Cost of sales from the corporate welfare segment decreased by 1.2% from RMB10,001 thousand in 2023 to RMB9,877 thousand in 2024, primarily due to a decrease in platform service fee and labor costs for the operations team of the corporate welfare business.

## GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth our gross profit and gross profit margin by each segment for the years ended December 31, 2024 and 2023:

	For the year ended December 31,			
	2024		2023	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(RMB in thousands, except for percentage)</i>		<i>(RMB in thousands, except for percentage)</i>	
Leisure and entertainment	<b>77,546</b>	<b>66.7</b>	198,180	79.0
Games	<b>36,417</b>	<b>56.3</b>	46,148	59.2
Telecommunications	<b>1,242</b>	<b>24.0</b>	9,001	52.2
Lifestyle	<b>63,330</b>	<b>71.9</b>	80,222	66.0
Corporate welfare	<b>75,682</b>	<b>88.5</b>	82,624	89.2
<b>Total</b>	<b>254,217</b>	<b>70.7</b>	416,175	74.3

Our overall gross profits decreased by 38.9% from RMB416,175 thousand in 2023 to RMB254,217 thousand in 2024, primarily due to a decrease in revenue from digital goods-related services; and our gross profit margin decreased from 74.3% in 2023 to 70.7% in 2024, primarily due to a decrease in the gross profit margin from the leisure and entertainment segment which accounts for the higher proportion of gross profit.

The gross profit from the leisure and entertainment segment decreased by 60.9% from RMB198,180 thousand in 2023 to RMB77,546 thousand in 2024, primarily due to a decrease in GMV and revenue of leisure and entertainment-related digital goods facilitated.

The gross profit from the games segment decreased by 21.1% from RMB46,148 thousand in 2023 to RMB36,417 thousand in 2024, primarily due to a decrease in GMV and revenue of games-related digital goods facilitated.

The gross profit from the telecommunications segment decreased by 86.2% from RMB9,001 thousand in 2023 to RMB1,242 thousand in 2024, primarily due to a significant decrease in GMV and revenue of telecommunications-related digital goods facilitated.

The gross profit from the lifestyle segment decreased by 21.1% from RMB80,222 thousand in 2023 to RMB63,330 thousand in 2024, primarily due to a decrease in GMV and revenue of lifestyle-related digital goods facilitated.

The gross profit from the corporate welfare segment decreased by 8.4% from RMB82,624 thousand in 2023 to RMB75,682 thousand in 2024, primarily due to a decrease in GMV and revenue of facilitated corporate welfare-related digital goods and physical goods transactions.

### **OTHER INCOME AND GAINS**

Our other income and gains decreased by 58.4% from RMB37,744 thousand in 2023 to RMB15,709 thousand in 2024, mainly due to the expiry of the tax incentive.

### **SELLING AND DISTRIBUTION EXPENSES**

Our selling and distribution expenses decreased by 46.0% from RMB173,235 thousand in 2023 to RMB93,500 thousand in 2024, primarily due to (i) our market promotion service fees decreased by 61.8% from RMB61,126 thousand in 2023 to RMB23,362 thousand in 2024; (ii) staff salary and welfare expenses and labor dispatch service fees decreased by 34.0% from RMB83,615 thousand in 2023 to RMB55,161 thousand in 2024, which was primarily due to the fact that, as a result of the strategic adjustment to the traditional e-commerce platform business, we have downsized our marketing team; and (iii) the business operation expenses arising from business expansion, such as travel expenses and entertainment expenses, decreased by 51.1% from RMB24,241 thousand in 2023 to RMB11,855 thousand in 2024.

### **ADMINISTRATIVE EXPENSES**

Administrative expenses decreased by 11.2% from RMB109,211 thousand in 2023 to RMB97,010 thousand in 2024, primarily due to (i) a decrease of RMB3,724 thousand in intermediary service fees; (ii) a decrease of RMB2,319 thousand in short-term and low value leasing charges; (iii) a decrease of RMB2,272 thousand in hospitality expenses; and (iv) a decrease of RMB1,770 thousand in stamp duty.

## **RESEARCH AND DEVELOPMENT COSTS**

Research and development costs decreased by 24.5% from RMB58,571 thousand in 2023 to RMB44,218 thousand in 2024, primarily due to a decrease in staff salary and welfare expenses for the development team, as well as a decrease in labor dispatch service fees, alongside a decrease in share-based payment expenses.

## **NET PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS**

Impairment losses on financial and contract assets decreased significantly by 69.2% from RMB10,626 thousand in 2023 to RMB3,273 thousand in 2024, primarily due to the fact that the Group strengthened the management and credit risks control on customers, which reduced the losses caused by impairment.

## **OTHER EXPENSES**

Other expenses decreased by 33.8% from RMB3,356 thousand in 2023 to RMB2,223 thousand in 2024, mainly due to lower losses on foreign currency exchange rate fluctuations.

## **OPERATING PROFIT**

Our operating profit was RMB29,702 thousand in 2024, compared to RMB98,920 thousand in 2023.

## **FINANCE COSTS**

Finance costs increased by 3.2% from RMB3,558 thousand in 2023 to RMB3,673 thousand in 2024, mainly due to an increase in interest payments after an increase in interest-bearing bank loans.

## **PROFIT BEFORE TAX**

After the deduction of finance costs, our profit before income tax was RMB26,029 thousand in 2024, compared to RMB95,362 thousand in 2023.

## **INCOME TAX EXPENSES**

The income tax expense decreased significantly by 56.5% from RMB15,233 thousand in 2023 to RMB6,621 thousand in 2024, mainly due to the decrease in deferred income tax expense.

## **PROFIT FOR THE YEAR**

As a result of the foregoing, our profit for the year decreased significantly by 75.8% from RMB80,129 thousand in 2023 to RMB19,408 thousand in 2024.

## RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE NEAREST MEASURES PREPARED IN ACCORDANCE WITH IFRSs

To supplement our consolidated financial statements which are presented in accordance with IFRSs, we use a non-IFRS measure, adjusted profit for the year, which is not required by, or presented in accordance with, IFRSs. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating projects that our management does not consider to be indicative of our operating performance. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted profit for the year may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and investors should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial position as reported under IFRSs.

We defined adjusted profit attributable to owners of the parent for the year as profit attributable to owners of the parent for the year by adding back foreign exchange gains and losses and share-based payment expenses. The following table reconciles our adjusted profit attributable to owners of the parent for the year presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs:

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit attributable to owners of the parent for the year	<b>20,164</b>	91,614
Adjustments:		
Share-based payment expenses	<b>6,147</b>	6,336
Foreign exchange gains and losses	<b>(148)</b>	2,012
Non-IFRS measure adjusted profit attributable to owners of the parent for the year	<b><u>26,163</u></b>	<u>99,962</u>

## **OTHER FINANCIAL INFORMATION**

### **Capital structure**

The Company continued to maintain a healthy and sound financial position. Our total assets increased from RMB1,762,633 thousand as at December 31, 2023 to RMB1,764,025 thousand as at December 31, 2024, while our total liabilities decreased from RMB505,281 thousand as at December 31, 2023 to RMB482,521 thousand as at December 31, 2024.

As at December 31, 2024, the Group had no assets pledged or charged.

### **Liquidity and capital resources**

Our principal sources of liquidity were cash generated from operations, and bank loans and other borrowings. As at December 31, 2024, we had cash and cash equivalents of RMB310,442 thousand, which were mainly denominated in Renminbi. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operations, bank loans, net proceeds from the Global Offering and other funds raised from capital markets from time to time, when necessary. In order to achieve better risk control, we have put in place relevant policies on cash and finance management and implemented them strictly. We will regularly review our liquidity and financing needs.

The following table sets forth a summary of our net cash flow for the years ended December 31, 2024 and 2023:

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Cash and cash equivalents at the beginning of the year	<b>147,347</b>	149,825
Cash generated from/(used in) from operations	<b>216,146</b>	(33,670)
Income tax paid	<b>(11,145)</b>	(16,234)
Net cash generated from/(used in) operating activities	<b>205,001</b>	(49,904)
Net cash (used in)/generated from investing activities	<b>(80,788)</b>	1,525
Net cash generated from financing activities	<b>38,495</b>	45,664
Net increase/(decrease) in cash and cash equivalents	<b>162,708</b>	(2,715)
Effect of foreign exchange gains and losses	<b>387</b>	237
Cash and cash equivalents at the end of the year	<b>310,442</b>	147,347

#### **Net cash generated from operating activities**

Net cash generated from operating activities for the year ended December 31, 2024 was RMB205,001 thousand, primarily attributable to profit before tax of RMB26,029 thousand, as adjusted by:

- (a) non-cash and non-operating items, which primarily comprised RMB8,940 thousand of depreciation of right-of-use assets, RMB7,636 thousand of amortisation of intangible assets, RMB6,147 thousand of share-based payment expenses, RMB2,838 thousand of depreciation of fixed assets and RMB541 thousand of gain on disposal of a subsidiary; and
- (b) changes in working capital, which primarily comprised:
  - (i) a decrease of RMB175,810 thousand in prepayments, other receivables and other assets, primarily due to a decline in the scale of digital goods transactions, which resulted in a decrease in procurement expenses and merchandise inventory of digital goods;
  - (ii) a decrease of RMB50,925 thousand in trade receivables, primarily due to a decline in the scale of digital goods transactions, reduced credit terms for customer business, and a decrease in sales proceeds;

- (iii) a decrease of RMB22,872 thousand in trade payables, primarily due to lower procurement expenditure on digital goods as a result of a decline in the scale of digital goods transactions; and
- (iv) a decrease of RMB23,108 thousand in other payables and accruals, primarily due to a decrease in receipts of prepayments from downstream customers under the goods sales channels.

### **Net cash used in investing activities**

Net cash used in investing activities for the year ended December 31, 2024 was RMB80,788 thousand, comprising mainly (i) purchase of financial products of RMB704,859 thousand; (ii) proceeds from disposal of financial products of RMB625,594 thousand; (iii) proceeds from disposal of a subsidiary of RMB465 thousand; (iv) addition to intangible assets of RMB4,188 thousand; (v) addition to fixed assets of RMB1,083 thousand; and (vi) interest received of RMB3,238 thousand.

### **Net cash generated from financing activities**

Net cash generated from financing activities for the year ended December 31, 2024 was RMB38,495 thousand, comprising mainly (i) bank and other borrowings received of RMB528,655 thousand; (ii) repayment of bank and other borrowings of RMB497,597 thousand; (iii) upon expiration of the credit agreement, retrieved the pledged large deposit certificate of RMB20,000 thousand; (iv) payment of rental amounts of right-of use assets of RMB8,834 thousand; and (v) payment of interest related expenses of RMB3,673 thousand.

### **Capital expenditures**

Our capital expenditures principally consist of expenditures for the purchases of property, plant and equipment and intangible assets. Our capital expenditures decreased by 65.3% from RMB15,209 thousand for the year ended December 31, 2023 to RMB5,271 thousand for the year ended December 31, 2024, primarily due to the accumulation of capital investments already made in the previous period and the reduction of expenditures on large asset purchases in the current period under the policy of cost reduction and efficiency improvement.

### **Indebtedness, off-balance sheet commitment and contingent liabilities**

As at December 31, 2024, our total indebtedness amounted to RMB482,521 thousand (RMB505,281 thousand as at December 31, 2023), of which our interest-bearing indebtedness included lease liabilities of RMB5,839 thousand and interest-bearing bank and other borrowings of RMB170,710 thousand. As at December 31, 2024, our bank and other borrowings were all denominated in RMB. For the year ended December 31, 2024, our bank loans and other borrowings were interest-bearing at rates ranging from 1.05% to 4.80% per annum (for the year ended December 31, 2023: ranging from 3.55% to 4.80%).

As at December 31, 2024, we did not have any off-balance sheet arrangements and material contingent liabilities.

### **Significant investments held**

For the year ended December 31, 2024, we did not have any significant investments.

### **Material acquisitions, disposals and future plans of subsidiaries and affiliated companies**

For the year ended December 31, 2024, we did not have any material acquisitions or disposals of subsidiaries or affiliated companies.

In addition to the above, we disposed of 51% of the equity interest in our subsidiary, Hubei Luma Network Technology Co., Ltd. in February 2024, which did not constitute a notifiable transaction under Chapter 14 or a connected transaction under Chapter 14A of the Listing Rules.

### **Gearing ratio**

As at December 31, 2024, we did not have any net debt, as the Group's cash and cash equivalents were more than its interest-bearing borrowings. As such, the gearing ratio (calculated as net debt divided by total equity plus net debt of the Group) did not apply to us.

### **Pledge of assets**

As at December 31, 2024, the Group had no assets pledged or charged.

### **Foreign exchange risk management**

We mainly carry out our operations in the PRC with most transactions settled in Renminbi. As at December 31, 2024, our cash and cash equivalent balance was mainly denominated in Renminbi. Our management considers that the principal business is not exposed to significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our entities, but some of our funding raised in Hong Kong is subject to foreign exchange risk.

### **Future plans for material investments and capital assets**

As at December 31, 2024, we did not have other plans for material investments and capital assets.

## **RELATIONSHIP WITH STAKEHOLDERS**

### **Employee and remuneration policy**

As at December 31, 2024, we had 792 employees, all of whom were based in the PRC.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive remuneration packages, which generally include basic wages, variable wages, bonuses and other benefits.

We participate in employee benefit plans mandated by the PRC government, including basic pension insurance, work-related injury insurance, maternity insurance, basic medical insurance, unemployment insurance and housing provident fund scheme. We contribute to employee benefit plans based on certain percentages of employee compensation costs.

### **Customers**

Our customers primarily include digital goods vendors, from whom we earn commissions on facilitating sales of their products through our platform. Our customers also include digital goods vendors and digital goods sales channels that use our ancillary value-added services for which we charge fees on a case-by-case basis.

### **Suppliers**

Our suppliers primarily include (i) digital goods sales channels, who charge us commissions; and (ii) data storage and server hosting providers. We select suppliers based on a number of factors, including their user base, market share and reputation.

## FINANCIAL INFORMATION

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>REVENUE</b>	4	<b>359,790</b>	560,406
Cost of sales		<u>(105,573)</u>	<u>(144,231)</u>
Gross profit		<b>254,217</b>	416,175
Other income and gains	4	<b>15,709</b>	37,744
Selling and distribution expenses		<b>(93,500)</b>	(173,235)
Administrative expenses		<b>(97,010)</b>	(109,211)
Research and development costs		<b>(44,218)</b>	(58,571)
Impairment losses on financial and contract assets, net		<b>(3,273)</b>	(10,626)
Other expenses		<b>(2,223)</b>	(3,356)
Finance costs		<u>(3,673)</u>	<u>(3,558)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>26,029</b>	95,362
Income tax expense	6	<u>(6,621)</u>	<u>(15,233)</u>
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>19,408</b></u>	<u>80,129</u>
Attributable to:			
Owners of the parent		<b>20,164</b>	91,614
Non-controlling interests		<u>(756)</u>	<u>(11,485)</u>
		<u><b>19,408</b></u>	<u>80,129</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
For profit for the year ( <i>RMB</i> )	8	<u><b>0.05</b></u>	<u>0.23</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>3,210</b>	5,091
Right-of-use assets		<b>6,370</b>	12,568
Goodwill		<b>674</b>	674
Other intangible assets		<b>27,862</b>	31,310
Deferred tax assets		<b>20,009</b>	17,348
Pledged deposits		–	20,000
		<hr/>	<hr/>
Total non-current assets		<b>58,125</b>	86,991
<b>CURRENT ASSETS</b>			
Trade receivables	9	<b>493,143</b>	544,148
Contract assets		<b>33,278</b>	37,291
Prepayments, other receivables and other assets	10	<b>652,295</b>	829,005
Due from related parties		<b>23,285</b>	23,572
Financial assets at fair value through profit or loss		<b>91,839</b>	12,552
Restricted cash		<b>101,618</b>	81,727
Cash and cash equivalents		<b>310,442</b>	147,347
		<hr/>	<hr/>
Total current assets		<b>1,705,900</b>	1,675,642
<b>CURRENT LIABILITIES</b>			
Trade payables	11	<b>90,236</b>	113,108
Other payables and accruals		<b>209,534</b>	232,644
Interest-bearing bank and other borrowings		<b>170,710</b>	139,652
Lease liabilities		<b>3,869</b>	6,835
Tax payable		<b>6,202</b>	8,065
		<hr/>	<hr/>
Total current liabilities		<b>480,551</b>	500,304
<b>NET CURRENT ASSETS</b>		<hr/> <b>1,225,349</b>	<hr/> 1,175,338
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>1,283,474</b>	<hr/> 1,262,329

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<u>1,970</u>	<u>4,977</u>
Total non-current liabilities		<u>1,970</u>	<u>4,977</u>
<b>Net assets</b>		<u><b>1,281,504</b></u>	<u>1,257,352</u>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital		278	278
Reserves		<u>1,298,072</u>	<u>1,271,761</u>
		<b>1,298,350</b>	1,272,039
Non-controlling interests		<u>(16,846)</u>	<u>(14,687)</u>
<b>Total equity</b>		<u><b>1,281,504</b></u>	<u>1,257,352</u>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve and others	Share-based payment reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	277	564,390	19,416	155,312	32,520	445,037	1,216,952	(6,570)	1,210,382
Profit for the year and total comprehensive income	-	-	-	-	-	91,614	91,614	(11,485)	80,129
Equity-settled share-based payments	1	(1)	-	6,336	-	-	6,336	-	6,336
Final 2022 dividend declared	-	(42,863)	-	-	-	-	(42,863)	-	(42,863)
Appropriations to statutory surplus reserve	-	-	-	-	13,259	(13,259)	-	-	-
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	1,170	1,170
Disposal of a subsidiary	-	-	-	-	-	-	-	2,198	2,198
At 31 December 2023	278	521,526*	19,416*	161,648*	45,779*	523,392*	1,272,039	(14,687)	1,257,352
	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve and others	Share-based payment reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	278	521,526*	19,416*	161,648*	45,779*	523,392*	1,272,039	(14,687)	1,257,352
Profit for the year and total comprehensive income	-	-	-	-	-	20,164	20,164	(756)	19,408
Equity-settled share-based payments	-	-	-	6,147	-	-	6,147	-	6,147
Appropriations to statutory surplus reserve	-	-	-	-	6,627	(6,627)	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(56)	(56)
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,347)	(1,347)
At 31 December 2024	278	521,526*	19,416*	167,795*	52,406*	536,929	1,298,350	(16,846)	1,281,504

\* These reserve accounts comprise the consolidated reserves of RMB1,298,072,000 (2023: RMB1,271,761,000) in the consolidated statement of financial position.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	5	<b>26,029</b>	95,362
Adjustments for:			
Depreciation of property, plant and equipment	5	<b>2,838</b>	2,404
Amortisation of intangible assets	5	<b>7,636</b>	6,223
Depreciation of right-of-use assets	5	<b>8,940</b>	8,363
Interest income	4	<b>(3,531)</b>	(3,842)
Finance costs		<b>3,673</b>	3,558
Equity-settled share-based payment expenses		<b>6,147</b>	6,336
Gain on disposal a subsidiary	4	<b>(541)</b>	(2,288)
Gain on the fair value change of financial assets at fair value through profit or loss		<b>(22)</b>	(931)
Loss/(gain) on disposal of right-of-use assets		<b>119</b>	(79)
Loss on disposal of items of property, plant and equipment		<b>81</b>	–
Foreign exchange gain		<b>(387)</b>	(237)
		<b>50,982</b>	114,869
Decrease/(increase) in trade receivables		<b>50,925</b>	(83,446)
Decrease in contract assets		<b>4,013</b>	18,704
Decrease/(increase) in prepayments, other receivables and other assets		<b>175,810</b>	(106,929)
Decrease in amounts due from related parties		<b>287</b>	10,717
Increase in restricted cash		<b>(19,891)</b>	(58,405)
(Decrease)/increase in trade payables		<b>(22,872)</b>	16,138
(Decrease)/increase in other payables and accruals		<b>(23,108)</b>	54,682
Cash generated from/(used in) operations		<b>216,146</b>	(33,670)
Income tax paid		<b>(11,145)</b>	(16,234)
Net cash flows from/(used in) operating activities		<b>205,001</b>	(49,904)

<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial products	(704,859)	(68,000)
Proceeds from disposal of financial products	625,594	83,000
Purchases of property, plant and equipment	(1,083)	(3,850)
Addition to intangible assets	(4,188)	(11,359)
Interest received	3,238	3,806
Disposal of a subsidiary	465	(2,072)
Proceeds from disposal of property, plant and equipment	45	–
	<hr/>	<hr/>
Net cash flows (used in)/from investing activities	(80,788)	1,525
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital contribution from non-controlling shareholders of a subsidiary	–	1,170
Decrease in pledged deposits	20,000	–
New bank and other borrowings	528,655	814,209
Principal portion of lease payments	(8,834)	(8,737)
Repayment of bank and other borrowings	(497,597)	(714,557)
Dividends paid	(56)	(42,863)
Interest paid	(3,673)	(3,558)
	<hr/>	<hr/>
Net cash flows from financing activities	38,495	45,664
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	162,708	(2,715)
Effect of foreign exchange rate changes, net	387	237
Cash and cash equivalents at beginning of year	147,347	149,825
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>310,442</b>	147,347
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	412,060	249,074
Less: Restricted cash	(101,618)	(81,727)
Pledged deposits	–	(20,000)
	<hr/>	<hr/>
	<b>310,442</b>	147,347
	<hr/>	<hr/>

## NOTES

### 1 CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 31 October 2019. The registered address of the Company is Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, Cayman Islands.

During the year, the subsidiaries now comprising the Group were principally engaged in the provision of services to facilitate digital goods transactions and online store operating services.

In the opinion of the directors, the ultimate controlling shareholder of the Group is Mr. Fu Xi.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

### **3 OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their services and has five reportable operating segments as follows:

- (a) Leisure and entertainment, which primarily includes commissions earned from facilitating the sale of digital goods offered by leisure and entertainment content providers, operating services for online stores and other services provided to leisure and entertainment content providers;
- (b) Games, which primarily includes commissions earned from facilitating the sale of digital goods offered by game producers, operating services for online stores and other services provided to game producers;

- (c) Telecommunications, which primarily includes commissions earned from providing digital goods-related agency services and other services to telecom providers;
- (d) Lifestyle, which primarily includes commissions earned from facilitating the sale of digital goods offered by lifestyle service providers and other services provided to lifestyle service providers; and
- (e) Corporate welfare, which primarily includes commissions earned from providing employee benefits solutions to corporate clients.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment operating profit, which is a measure of gross profit. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Year ended 31 December 2024	Leisure and entertainment <i>RMB'000</i>	Games <i>RMB'000</i>	Telecommuni- cations <i>RMB'000</i>	Lifestyle <i>RMB'000</i>	Corporate welfare <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>						
External customers ( <i>note 4</i> )	<u>116,297</u>	<u>64,714</u>	<u>5,183</u>	<u>88,037</u>	<u>85,559</u>	<u>359,790</u>
Segment cost	<u>(38,751)</u>	<u>(28,297)</u>	<u>(3,941)</u>	<u>(24,707)</u>	<u>(9,877)</u>	<u>(105,573)</u>
Gross profit	<u>77,546</u>	<u>36,417</u>	<u>1,242</u>	<u>63,330</u>	<u>75,682</u>	<u>254,217</u>
<i>Reconciliation:</i>						
Unallocated income and gains						15,709
Corporate and unallocated expense						(240,224)
Finance costs						<u>(3,673)</u>
Profit before tax						<u>26,029</u>

Year ended 31 December 2023	Leisure and entertainment <i>RMB'000</i>	Games <i>RMB'000</i>	Telecommuni- cations <i>RMB'000</i>	Lifestyle <i>RMB'000</i>	Corporate welfare <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>						
External customers ( <i>note 4</i> )	<u>250,974</u>	<u>78,006</u>	<u>17,241</u>	<u>121,560</u>	<u>92,625</u>	<u>560,406</u>
Segment cost	<u>(52,794)</u>	<u>(31,858)</u>	<u>(8,240)</u>	<u>(41,338)</u>	<u>(10,001)</u>	<u>(144,231)</u>
Gross profit	<u>198,180</u>	<u>46,148</u>	<u>9,001</u>	<u>80,222</u>	<u>82,624</u>	<u>416,175</u>
<i>Reconciliation:</i>						
Unallocated income and gains						37,744
Corporate and unallocated expense						(354,999)
Finance costs						<u>(3,558)</u>
Profit before tax						<u>95,362</u>

## Geographical information

### (a) Revenue from external customers

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

### (b) Non-current assets

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

## Information about major customers

Revenue derived from services to customers, which individually accounted for 10% or more of the Group's revenue, is set out below:

	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Customer A from the leisure and entertainment segment and the games segment	<u><b>35,040</b></u>	<u>49,088</u>

## 4 REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<i>Revenue from contracts with customers</i>		
Digital goods-related services		
– acted as an agent	<b>207,831</b>	438,072
Physical goods-related services		
– acted as an agent	<b>41,802</b>	47,441
Online stores operating services		
– acted as an agent	<b>81,949</b>	53,783
Others	<b>28,208</b>	21,110
	<b>359,790</b>	560,406

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

##### Year ended 31 December 2024

Segments	Leisure and entertainment RMB'000	Games RMB'000	Telecommuni- cations RMB'000	Lifestyle RMB'000	Corporate welfare RMB'000	Total RMB'000
<i>Types of services</i>						
Provision of digital goods-related services	68,933	33,457	3,252	68,426	33,763	207,831
Provision of physical goods-related services	-	-	-	-	41,802	41,802
Provision of online store operating services	45,996	28,763	-	7,190	-	81,949
Others	1,368	2,494	1,931	12,421	9,994	28,208
Total revenue from contracts with customers	<b>116,297</b>	<b>64,714</b>	<b>5,183</b>	<b>88,037</b>	<b>85,559</b>	<b>359,790</b>
<i>Timing of revenue recognition:</i>						
Services transferred at a point in time	<b>116,297</b>	<b>64,714</b>	<b>5,183</b>	<b>88,037</b>	<b>85,559</b>	<b>359,790</b>

Year ended 31 December 2023

Segments	Leisure and entertainment RMB'000	Games RMB'000	Telecommuni- cations RMB'000	Lifestyle RMB'000	Corporate welfare RMB'000	Total RMB'000
<b>Types of services</b>						
Provision of digital goods-related services	216,127	57,301	16,333	110,460	37,851	438,072
Provision of physical goods-related services	-	-	-	-	47,441	47,441
Provision of online store operating services	32,113	18,255	764	2,651	-	53,783
Others	2,734	2,450	144	8,449	7,333	21,110
Total revenue from contracts with customers	<u>250,974</u>	<u>78,006</u>	<u>17,241</u>	<u>121,560</u>	<u>92,625</u>	<u>560,406</u>
<b>Timing of revenue recognition:</b>						
Services transferred at a point in time	<u>250,974</u>	<u>78,006</u>	<u>17,241</u>	<u>121,560</u>	<u>92,625</u>	<u>560,406</u>

The Group's revenue was derived solely from its operation in Mainland China.

**(ii) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Provision of digital goods-related services*

The performance obligation is satisfied upon delivery of specific digital goods from upstream digital goods providers to downstream digital goods users. Payment is generally due within 1-6 months from delivery. In addition, payment in advance is sometimes required based on credit evaluation.

*Provision of physical goods-related services*

The performance obligation is satisfied upon delivery of the physical products and payment is generally due within 1-6 months from delivery.

*Provision of online store operating services*

The performance obligation is satisfied upon the completion of each digital goods transaction through the online stores of the digital goods vendors or upon delivery of the related services. Payment is generally due within 1-6 months from the rendering of the services.

The directors are of the opinion that there was no remaining performance obligation at the end of the reporting period.

## Other income and gains

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Other government grants	(i)	<b>5,972</b>	10,686
Interest income		<b>3,531</b>	3,842
Gain on disposal of a subsidiary		<b>541</b>	2,288
Tax incentives on input value-added tax		<b>–</b>	19,689
Others		<b>5,665</b>	1,239
		<b>15,709</b>	37,744

(i) Other government grants had been received from the PRC local government authorities as reimbursement of the Group's operating and research and development activities. There are no unfulfilled conditions related to these government grants.

## 5 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Employee benefit expense* (including directors' and chief executive's remuneration):		
Wages and salaries	<b>171,159</b>	214,526
Equity-settled share-based payment expenses	<b>6,147</b>	6,336
Pension scheme contributions	<b>19,458</b>	26,584
Social security contributions and accommodation benefits	<b>22,365</b>	30,162
	<b>219,129</b>	277,608
Research and development costs	<b>44,218</b>	58,571
Promotion and marketing expenses	<b>23,362</b>	61,126
Commission to third party platforms	<b>21,430</b>	43,484
Foreign exchange (gain)/loss	<b>(148)</b>	2,012
Platform usage fees and others	<b>8,818</b>	11,058
Auditor's remuneration	<b>2,450</b>	2,450
Depreciation of right-of-use assets	<b>8,940</b>	8,363
Depreciation of property, plant and equipment	<b>2,838</b>	2,404
Amortisation of intangible assets	<b>7,636</b>	6,223
Impairment losses on financial and contract assets, net	<b>3,273</b>	10,626

\* Employee benefit expenses of RMB39,776,000 (2023: RMB54,869,000) were included in the research and development costs for the reporting period.

## 6 INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The majority of the Company's subsidiaries are domiciled in the PRC. Pursuant to the PRC Corporate Income Tax Law (the "PRC Tax Law") effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operating in the PRC during the reporting period was 25% of their taxable profits.

Wuhan Souka was accredited as a high and new technology enterprise ("HNTE") in the year ended 31 December 2022. From 1 January 2022 to 31 December 2024, Wuhan Souka was entitled to a Corporate Income Tax rate of 15%.

Xinjiang Fulu, Xinjiang Huluwa and Kashgar Yiqiwan were established in Xinjiang and Tibet Fulu was established in Tibet, entitled to a preferential tax rate of 15% for the year ended 31 December 2024 according to the strategy of western development in the PRC (Caishui [2020] No. 23).

Fulu Fuyou was established in Kashgar Zone of Xinjiang on 6 February 2023, which was exempted from income tax in the first year in which operation income is obtained for a five-year period according to the regulations set out by the local government authority. Since Fulu Fuyou started operation in 2024, the tax exemption period commenced from the year of 2024 to the year of 2028.

The major components of the income tax expense are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current		
Charge for the year	<b>9,282</b>	9,962
Deferred tax	<b>(2,661)</b>	5,271
	<hr/>	<hr/>
Total tax charge for the year	<b><u>6,621</u></b>	<u>15,233</u>

A reconciliation of the tax expenses applicable to profit before tax at the statutory rate for the PRC to the tax expenses at the Group's effective tax rate is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before tax	<u>26,029</u>	<u>95,362</u>
Tax at the PRC statutory income tax rate	<b>6,507</b>	23,841
Lower tax rates for specific entities	<b>(5,559)</b>	(14,533)
Tax effect of:		
Expenses not deductible for tax	<b>2,558</b>	4,885
Tax losses not recognised	<b>6,482</b>	10,028
Tax losses utilised from previous periods	<b>(1,387)</b>	(2,805)
Tax incentives on eligible expenditures	<b>(1,604)</b>	(5,875)
Adjustments in respect of current tax of previous periods	<u><b>(376)</b></u>	<u>(308)</u>
Tax charge at the Group's effective tax rate	<u><b>6,621</b></u>	<u>15,233</u>

## **7 DIVIDENDS**

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividends declared and paid – Nil (2023: HK\$0.116) per ordinary share	<u>–</u>	<u>42,863</u>

No dividends were paid or declared by the Company for the year ended 31 December 2024 (2023: HK\$0.116).

## **8 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 407,173,786 (2023: 404,270,914) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed unlocking of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	<u>20,164</u>	<u>91,614</u>
	<b>Number of shares</b>	
	<b>2024</b>	2023
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>407,173,786</b>	404,270,914
Effect of dilution – weighted average number of ordinary shares:		
– Restricted share unit scheme	<u>505,862</u>	<u>1,611,735</u>
	<u><b>407,679,648</b></u>	<u>405,882,649</u>
Basic earnings per share ( <i>RMB</i> )	<u>0.05</u>	<u>0.23</u>
Diluted earnings per share ( <i>RMB</i> )	<u>0.05</u>	<u>0.23</u>

## 9 TRADE RECEIVABLES

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	<b>499,125</b>	551,883
Impairment allowance	<u>(5,982)</u>	<u>(7,735)</u>
	<u><b>493,143</b></u>	<u>544,148</u>

The Group's credit period is generally one to twelve months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by 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.

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

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	<b>352,740</b>	442,728
4 to 6 months	<b>86,060</b>	84,237
7 to 12 months	<b>47,325</b>	15,228
Over 12 months	<b>7,018</b>	1,955
	<b>493,143</b>	544,148

## 10 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Prepayments to digital goods providers:		
Non-refundable	<b>302,919</b>	430,609
Refundable	<b>57,592</b>	63,977
Deposits to digital goods providers	<b>115,105</b>	106,371
Other receivables	<b>98,793</b>	129,770
Prepaid value-added tax	<b>71,208</b>	76,097
Prepayments for various services	<b>15,685</b>	33,065
	<b>661,302</b>	839,889
Impairment allowance	<b>(9,007)</b>	(10,884)
	<b>652,295</b>	829,005

The movements in the loss allowance for impairment of refundable prepayments and deposits to digital goods providers and other receivables are as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
At beginning of year	<b>10,884</b>	4,636
Impairment losses, net	<b>2,186</b>	7,036
Disposal of a subsidiary	–	(30)
Amount written off as uncollectible	<b>(4,063)</b>	(758)
	<hr/>	<hr/>
At end of year	<b>9,007</b>	10,884
	<hr/>	<hr/>

Refundable prepayments, deposits and other receivables mainly represent refundable prepayments and deposits to digital goods providers, receivables from online platform operators (such as Tmall and JD) and other receivables from third parties. Where applicable, an impairment analysis is performed at the end of each reporting period by considering the probability of default of the industry. Except for specific balances for which a 100% expected credit loss rate is determined, as at 31 December 2024, the probability of default applied ranged from 0.001% to 5.46% (2023: 0.001% to 5.08%) and the loss given default was estimated to be 73.60% (2023: 64.30%). In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied where there were no comparable companies in the industry as at 31 December 2024 was 1.09% (2023: 1.20%).

## 11 TRADE PAYABLES

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

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	<b>71,334</b>	104,554
4 to 6 months	<b>10,454</b>	4,079
7 to 12 months	<b>4,842</b>	2,732
Over 12 months	<b>3,606</b>	1,743
	<hr/>	<hr/>
	<b>90,236</b>	113,108
	<hr/>	<hr/>

Trade payables are non-interest-bearing and are normally settled on 180-day terms.

## **OTHER INFORMATION**

### **FINAL DIVIDENDS**

After due consideration, the Board resolved not to propose a final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: Nil).

### **USE OF PROCEEDS FROM LISTING**

The Company listed its Shares on the Stock Exchange on September 18, 2020. Net proceeds from the Listing (after deduction of the underwriting fees, commission and relevant total expenses paid and payable by us in connection thereto) were approximately HK\$803.42 million, which has been applied for the following purposes consistent with those set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. For the year ended December 31, 2024, the Group has utilized:

- approximately HK\$241.03 million to facilitate digital goods transactions for more digital goods vendors and increase the varieties of digital goods transactions we facilitate, which has been fully utilized;
- approximately HK\$160.68 million to increase the number of our digital goods sales channel partners, which has been fully utilized;
- approximately HK\$160.68 million to develop the Group’s value-added services, such as membership management and interactive advertising services, virtual employee benefits services for enterprise customers, game leveling and companion services and professional game account leasing services, which has been fully utilized;
- approximately HK\$80.35 million to fund the Group’s working capital and other general corporate purposes, which has been fully utilized; and
- the Group has not utilized the proceeds from the Listing for the potential acquisitions of businesses and assets complementary to our business, including companies in games-related industries, while the net proceeds intended to be used for this purpose amounted to HK\$160.68 million, which is expected to be utilized before December 31, 2026.

### **COMPLIANCE WITH CG CODE**

The Company is committed to maintaining a high standard of corporate governance practices with a view to enhance the management efficiency of the Company as well as preserving the interests of its Shareholders as a whole. During the year ended December 31, 2024, save for the deviation from code provision C.2.1 described in the paragraph headed “C. Directors’ Responsibilities, Delegation and Board Proceedings – C.2 Chairman and Chief Executive Officer”, the Company has complied with the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, and adopted the recommended best practices therein as appropriate.

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Fu Xi currently performs these two roles and is responsible for the Group's strategies, corporate culture and oversees our senior management team. The Board considers that Mr. Fu Xi acting as both the chairman and the chief executive officer will ensure consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group, and it is appropriate and beneficial to our business development and prospects that Mr. Fu Xi continues to act as both the chairman and the chief executive officer at the current stage of development of the Company. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Therefore the Board does not propose to separate these two roles. The Board will continue to review and consider splitting the roles of chairman and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2024, which will be published in due course.

#### **COMPLIANCE WITH MODEL CODE**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code for the year ended December 31, 2024.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

For the year ended December 31, 2024, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares (if any)).

The Company did not hold any treasury shares (as defined in Rule 1.01 of the Listing Rules) as at December 31, 2024.

#### **AUDIT COMMITTEE**

The Audit Committee, together with the Auditor, has reviewed the Company's audited consolidated financial statements for the year ended December 31, 2024. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed auditing, risk management, internal control and financial reporting matters.

## **AUDITOR’S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s annual results announcement for the year ended December 31, 2024 have been agreed by the Auditor to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an audit, review or other assurance engagement, and consequently no assurance has been expressed by the Auditor on this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.fulu.com](http://www.fulu.com)), and the annual report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.fulu.com](http://www.fulu.com)).

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

Wuhan, Hubei Province, China  
March 27, 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.*

## DEFINITIONS

“Audit Committee”	the audit committee of the Company
“Auditor”	the external auditor of the Company
“Beijing Fulu Fuxi”	Beijing Fulu Fuxi Technology Co., Ltd. (北京福祿福喜科技有限公司), a limited liability company established in the PRC on December 31, 2021, a wholly-owned subsidiary of Fuluxi
“Board”	the board of Directors
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company” or “Fulu”	Fulu Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 2101)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities we control through the contractual arrangements, namely the PRC Holdcos and their respective subsidiaries
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to each of Mr. Fu Xi, Mr. Zhang Yuguo, Mr. Shui Yingyu, Mr. Zhao Bihao, FuXi Limited, Fuxu Holdings, Fuzhi Holdings, Zhangyuguo Holdings, Shuiyingyu Holdings and Zhaobihao Holdings or all of them as a group of Controlling Shareholders
“Directors”	director(s) of the Company
“Fuluxi”	Beijing Fuluxi Technology Co., Ltd. (北京福祿喜科技有限公司), formerly known as Fulu Fuxi (Wuhan) Technology Co., Ltd (福祿福喜(武漢)科技有限公司) before June 8, 2023, a limited liability company established in the PRC on April 21, 2022, which is owned as to 60%, 7%, 10.5%, 10.5%, 9% and 3% by Wuhan Fulu, Haikou Fulu Fuxi Corporate Management Partnership (Limited Partnership) (海口福祿福禧企業管理合夥企業(有限合夥)), Ms. Di Ying, Mr. Qian Yi, Mr. Li Wei and Mr. Ni Shaoliang, respectively

“FuXi Limited”	FuXi Limited, a limited liability company incorporated in the BVI on June 27, 2019 and wholly owned by Mr. Fu Xi. It is one of our Controlling Shareholders
“Fuzhi Holdings”	Fuzhi Holdings Limited, a limited liability company incorporated in the BVI on September 3, 2019, which is owned as to 94.1% and 5.9% by Fuze Holdings Limited and FuXi Limited, respectively
“Global Offering”	the Hong Kong public offering and the International offering of the Company’s Shares
“GMV”	gross merchandize value, which equals to 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 in this announcement excludes the GMV of digital goods transactions that occur in online stores we operate for digital goods vendors
“Group” or “the Group”, “we”, “us”, or “our”	the Company, our subsidiaries and the Consolidated Affiliated Entities from time to time, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the subsidiaries as if they were the subsidiaries of the Company at the relevant time (or the Company and any one or more of its subsidiaries, as the context may require)
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hubei Kejin”	Hubei Kejin Network Technology Co., Ltd. (湖北氩金網絡科技有限公司), a limited liability company established in the PRC on May 22, 2017, a wholly-owned subsidiary of Tibet Fulu
“IFRSs”	International Financial Reporting Standards, as issued from time to time by the Hong Kong Institute of Certified Public Accountants
“Kashgar Yiqiwan”	Kashgar Yiqiwan Network Technology Co., Ltd. (喀什一起玩網絡科技有限公司), a limited liability company established in the PRC on March 27, 2017, and one of the PRC Holdcos
“Listing”	listing of the Shares on the Main Board of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PRC” or “China”	the People’s Republic of China, for the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“PRC Holdcos”	Kashgar Yiqiwan and Wuhan Fulu
“Prospectus”	the prospectus of the Company dated September 7, 2020
“Reporting Period”	the year ended December 31, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with a nominal value of US\$0.0001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shuiyingyu Holdings”	Shuiyingyu Holdings Limited, a limited liability company incorporated in the BVI on June 25, 2019. It is one of our Controlling Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Tibet Fulu”	Tibet Fulu Network Technology Co., Ltd. (西藏福祿網絡科技有限公司), a limited liability company established in the PRC on December 8, 2016, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu
“Tibet Huluwa”	Tibet Huluwa Network Technology Co., Ltd. (西藏葫蘆娃網絡科技有限公司), a limited liability company established in the PRC on May 15, 2019, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu

“US\$”	U.S. dollars, the lawful currency of the United States of America
“VAT”	value-added tax
“Wuhan Fulu”	Wuhan Fulu Network Technology Co., Ltd. (武漢福祿網絡科技有限公司), a limited liability company established in the PRC on March 24, 2009, and one of our PRC Holdcos
“Wuhan Lishuo”	Wuhan Lishuo Technology Co., Ltd. (武漢立碩科技有限公司), a limited liability company established in the PRC on January 6, 2017, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu
“Wuhan Souka”	Wuhan Souka Technology Co., Ltd. (武漢搜卡科技有限公司), a limited liability company established in the PRC on June 8, 2017, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu
“Wuhan Tianshi”	Wuhan Tianshi Technology Co., Ltd. (武漢天識科技有限公司), a limited liability company established in the PRC on July 24, 2014, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu
“Wuhan Yilu”	Wuhan Yilu Network Technology Co., Ltd. (武漢億祿網絡科技有限公司), a limited liability company established in the PRC on November 19, 2015, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Kashgar Yiqiwan
“Wuhan Yiqiyou”	Wuhan Yiqiyou Network Technology Co., Ltd. (武漢一起遊網絡科技有限公司), a limited liability company established in the PRC on June 4, 2012, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu
“Xinjiang Fulu”	Xinjiang Fulu Network Technology Co., Ltd. (新疆福祿網絡科技有限公司), a limited liability company established in the PRC on December 27, 2016, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu
“Xinjiang Huluwa”	Xinjiang Huluwa Network Technology Co., Ltd. (新疆葫蘆娃網絡科技有限公司), a limited liability company established in the PRC on February 25, 2019, a Consolidated Affiliated Entity and a wholly-owned subsidiary of Wuhan Fulu

“Zhangyuguo Holdings”	Zhangyuguo Holdings Limited, a limited liability company incorporated in the BVI on June 25, 2019. It is one of our Controlling Shareholders
“Zhaobihao Holdings”	Zhaobihao Holdings Limited, a limited liability company incorporated in the BVI on June 25, 2019. It is one of our Controlling Shareholders
“%”	per cent

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.