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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)

CHANGE IN USE OF PROCEEDS

References are made to (i) the prospectus (the “**Prospectus**”) issued by Fulu Holdings Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) dated September 7, 2020 in relation to the listing of the Company’s shares on the Main Board of the Stock Exchange, which sets out the intended use of the net proceeds (the “**Net Proceeds**”) from the issue of new shares of the Company at the time of preparing the Prospectus; and (ii) the disclosure on the utilisation of the Net Proceeds in the interim reports of the Company for the six months ended June 30, 2020, 2021, 2022, 2023, 2024 and 2025 (together, the “**Interim Reports**”) and the annual reports of the Company for the year ended December 31, 2020, 2021, 2022, 2023 and 2024 (together, the “**Annual Reports**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the Interim Reports and the Annual Reports.

The Board hereby announces that after careful consideration and detailed evaluation of the Group’s operations and business strategy, the Board has resolved to change the use of the unutilised portion of the Net Proceeds in the manner as set out below.

CHANGE IN USE OF PROCEEDS

The original intended use and allocation of the Net Proceeds, which amounted to approximately HK\$803.42 million after deducting underwriting fees, commissions and related total expenses paid and payable in connection thereto, was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As disclosed in the interim report of the Company for the six months ended June 30, 2025, as of June 30, 2025, the Group had utilised approximately HK\$642.74 million of the Net Proceeds and the unutilised Net Proceeds amounted to approximately HK\$160.68 million (the “**Unutilised Net Proceeds**”). The original intended use of the Unutilised Net Proceeds is for potential acquisitions of businesses and assets complementary to the our business, including companies in games-related industries.

After careful consideration and detailed evaluation of the factors set out in the paragraph headed “Reasons for and the benefits of the change in use of proceeds” below and the current business development and operation of the Group, the Board has resolved to change the use of the Unutilised Net Proceeds as follows:

| Use | Planned use of Net Proceeds as disclosed in the Prospectus (HK\$ million) | Utilised Net Proceeds as of June 30, 2025 (HK\$ million) | Unutilised Net Proceeds as of June 30, 2025 (HK\$ million) | Revised allocation of Unutilised Net Proceeds (HK\$ million) | New Unutilised Net Proceeds as of the date of this announcement (HK\$ million) | Updated expected timeline for utilisation after the change in the use of proceeds (Note) |
|--|---|---|---|--|---|---|
| To facilitate digital goods transactions for more digital goods vendors and increase the varieties of digital goods transactions we facilitate; | 241.03 (representing approximately 30% of total net proceeds) | 241.03 | – | 50.00 | 50.00 | On or before December 31, 2027 |
| To increase the number of our digital goods sales channel partners; | 160.68 (representing approximately 20% of total net proceeds) | 160.68 | – | 50.00 | 50.00 | On or before December 31, 2027 |
| To develop our value-added services, such as membership management and interactive advertising services, virtual employee benefit services for corporate customers, game leveling and companion services and professional game account leasing services; | 160.68 (representing approximately 20% of total net proceeds) | 160.68 | – | 10.68 | 10.68 | On or before December 31, 2027 |
| For potential acquisitions of businesses and assets complementary to our business, including companies in games-related industries; and | 160.68 (representing approximately 20% of total net proceeds) | – | 160.68 | 50.00 | 50.00 | On or before December 31, 2027 |
| To fund working capital and other general corporate purposes | 80.35 (representing approximately 10% of total net proceeds) | 80.35 | – | – | – | N/A |
| Total | 803.42 | 642.74 | 160.68 | 160.68 | 160.68 | |

Note: The updated expected timeline for utilising the Unutilised Net Proceeds after the change in use of proceeds is based on the best estimation of the present and future business market situations made by the Group. It may be subject to further changes based on the future development of the market conditions.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The Group had adopted a prudent approach with regard to potential acquisitions of businesses and assets complementary to our business, with a view to ensuring that any such acquisition is only made in the interests of the Company and its Shareholders as a whole. Despite sustained efforts in exploring potential investment and acquisition opportunities since the Company's listing, the Group is unable to identify suitable investment opportunities that meet the Group's strategic objectives or synergy expectations. After careful consideration of the current market environment and business development strategies, the Group has placed greater emphasis on stable growth and adopted a more prudent investment strategy. Based on this reason, the Group has decided to adjust and reallocate the Unutilised Net Proceeds, reserving only HK\$50.00 million for capturing potential investment opportunities that align with strategic directions, while the remaining HK\$110.68 million of the Unutilised Net Proceeds will be reallocated towards the principal business of the Group. In particular:

- (i) HK\$50.00 million to facilitate digital goods transactions for more digital goods vendors and increase the varieties of digital goods transactions we facilitate. Digital commodity consumption has deeply integrated into various aspects of daily life, such as clothing, food, housing, and transportation. The reallocation of the Unutilised Net Proceeds will be applied to precisely match consumption demand trends, enrich the supply of high-frequency demand categories, further expand transaction volume and market share, and strengthen the Group's core competitiveness in the digital commodity trading field;
- (ii) HK\$50.00 million to increase the number of our digital goods sales channel partners, aiming to build a broader scenario reach network, enhance the market penetration of digital commodities, further develop more quality enterprise clients, and deepen collaboration with enterprise clients, solidifying channel layout and reserving long-term development momentum; and
- (iii) HK\$10.68 million to develop our value-added services, such as membership management and interactive advertising services, virtual employee benefit services for corporate customers, game leveling and companion services and professional game account leasing services. The Unutilised Net Proceeds is intended to optimize service experience, expand service boundaries, meet diverse customer needs, and enhance overall competitiveness and service capabilities.

The Board believes that reallocating the Unutilised Net Proceeds to enrich and expand the Group's existing service and product offerings would enable the Group to deploy its financial resources more efficiently. Focusing on strengthening core business capabilities will allow the Group to enhance competitiveness, improve service quality, and capture new market opportunities. The proposed change in use of proceeds would not have any material adverse effect on the existing business and operation of the Group but would improve the utilisation efficiency of the Unutilised Net Proceeds.

On the progress of the use of the Unutilised Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report and interim report. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate. The Board will continuously assess the plan for the use of the Unutilised Net Proceeds and may revise or amend such plan where necessary to cope with the changing market conditions and strive for better business performance of the Group.

By Order of the Board
Fulu Holdings Limited
Fu Xi
Chairman

Wuhan, Hubei Province, China
29 January 2026

As at 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.