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 **福祿控股**
Fulu Holdings Limited
福祿控股有限公司

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

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025**

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, 2025. The consolidated financial statements for the year ended December 31, 2025 have been audited by the Company’s auditor and have been reviewed by the Audit Committee.

SUMMARY

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		Increase/ (Decrease)
	2025	2024	
	<i>(RMB'000)</i>		<i>%</i>
Revenue	330,964	359,790	(8.0)
Gross profit	258,791	254,217	1.8
Profit before tax	42,433	26,029	63.0
Profit and total comprehensive income for the year	19,875	19,408	2.4
Attributable to:			
Owners of the parent	27,303	20,164	35.4
Non-controlling interests	(7,428)	(756)	(882.5)
Basic earnings per share <i>(RMB)</i>	0.07	0.05	40.0

BUSINESS OVERVIEW AND OUTLOOK

BUSINESS OVERVIEW

In 2025, our GMV was RMB8,437,282 thousand, representing a year-on-year decrease of 8.7%. Among them, GMV from the lifestyle segment increased by 50.4% year-on-year to RMB4,976,302 thousand; GMV from the leisure and entertainment segment decreased by 48.3% year-on-year to RMB1,614,548 thousand; GMV from the games segment decreased by 30.1% year-on-year to RMB1,270,018 thousand; GMV from the telecommunications segment decreased significantly by 82.2% year-on-year to RMB55,966 thousand; and GMV from the corporate welfare segment decreased by 23.6% year-on-year to RMB520,448 thousand.

Lifestyle segment

In 2025, GMV from the lifestyle segment increased by 50.4% year-on-year to RMB4,976,302 thousand; revenue increased by 55.0% year-on-year to RMB136,461 thousand, accounting for 41.2% of the Company's total revenue and establishing itself as the Group's core income pillar; gross profit increased by 65.5% year-on-year to RMB104,810 thousand, and the gross profit margin improved by 4.9% year-on-year.

During the Reporting Period, benefiting from the continued deepening of the digital economy, accelerated digital transformation of enterprises, evolving consumer habits, and the sustained national pro-consumption policies (including digital consumption vouchers issued by multiple local governments, which effectively stimulated online demand for digital entitlements and other products), demand for services in sectors such as local dining, local entertainment, hotel and travel, and doorstep services accelerated its release, further expanding market space.

Against this backdrop, we continued to expand our brand portfolio within the lifestyle segment during the year, broadening industry coverage among corporate clients and achieving a dual enhancement in both customer quantity and quality. We focused on building a membership entitlement ecosystem spanning diverse lifestyle scenarios, upgrading our business from "single dining entitlements" to "full lifestyle coverage." We continuously innovated in the forms of vouchers and entitlement goods combinations, refined digital marketing solutions and business models, and strengthened refined operational capabilities, effectively unlocking business value.

We will further consolidate core capabilities, enhance product innovation and service levels, deepen cross-scenario resource integration, and continue to build out our presence in lifestyle sectors. We will increase resource investment and team development, solidify our operational foundation and competitive moats, promote diversified development of this segment, and sustain the Group's core growth momentum.

Leisure and entertainment segment

In 2025, GMV from the leisure and entertainment segment decreased by 48.3% year-on-year to RMB1,614,548 thousand; revenue decreased by 9.8% year-on-year to RMB104,859 thousand, accounting for 31.7% of the Company's total revenue; gross profit increased by 5.7% year-on-year to RMB81,928 thousand, and the gross profit margin increased by 11.4% year-on-year.

During the Reporting Period, competition in the leisure and entertainment segment remained intensely fierce, with consumer behavior becoming increasingly rational and market price competition notably pronounced. At the same time, brand owners tightened cooperation policies and raised partnership requirements, while marketing budgets across sales channels contracted, posing multiple challenges to the segment's operations.

Leveraging our mature operational systems, we proactively adapted to market changes and maintained relatively stable gross profit for the leisure and entertainment segment, demonstrating strong business resilience. Despite a slight decline in revenue under the influence of industry price competition, we adhered to refined operations and optimized cost control, alleviating profitability pressures while safeguarding service quality.

With the rapid iteration and widespread application of artificial intelligence technologies (AI), various productivity tools and AI-enabled membership entitlement products continue to emerge, bringing new opportunities to this segment. We will align with technological trends, focusing particularly on productivity tools and AI membership products, exploring new cooperation models with membership brands, continuously improving operational standards, and optimizing service and product structures. Leveraging our market adaptability and sustained innovation capabilities, we will stabilize the business development of the leisure and entertainment segment.

Telecommunications segment

In 2025, GMV from the telecommunications segment decreased by 82.2% year-on-year to RMB55,966 thousand; revenue decreased by 68.0% year-on-year to RMB1,659 thousand, accounting for 0.5% of the Company's total revenue; gross profit decreased by 16.5% year-on-year to RMB1,037 thousand, and the gross profit margin improved by 38.5% year-on-year.

In light of the policy environment affecting the upstream and downstream of the telecommunications segment, and in line with the Group's business structure adjustment plan aimed at enhancing capital return rates, we proactively scaled down the telecommunications segment's business scale in 2025, which led to significant year-on-year declines in the segment's GMV, revenue and gross profit.

Games segment

In 2025, GMV from the games segment decreased by 30.1% year-on-year to RMB1,270,018 thousand; revenue decreased by 25.3% year-on-year to RMB48,329 thousand, accounting for 14.6% of the Company's total revenue; gross profit decreased by 3.3% year-on-year to RMB35,224 thousand, and the gross profit margin improved by 16.6% year-on-year.

In 2025, although demand in the entertainment consumption market grew, macroeconomic conditions led game developers to generally reduce marketing budgets and adjust agency cooperation policies. Meanwhile, intensified homogenized competition in the games market and heightened consumer price sensitivity further compressed profitability, resulting in year-on-year declines across various operational indicators.

In response, we actively advanced business structure optimization during the year. Following a comprehensive assessment of return on investment, we discontinued the live-streaming business for games-related digital goods in the second half of 2025, reallocating capital and resources toward the sales and operation of more stable digital goods such as game recharge cards and gaming tools, thereby achieving optimized resource allocation.

As the games industry evolves and new games and products are progressively launched, we will, on the basis of stabilizing existing business, actively expand cooperation with new brand manufacturers, enrich channel presence, and make every effort to enhance the operational quality and market competitiveness of the games segment.

Corporate welfare segment

In 2025, the GMV of the corporate welfare segment decreased by 23.6% to RMB520,448 thousand on a year-on-year basis; revenue decreased by 53.7% year-on-year to RMB39,656 thousand, accounting for 12.0% of the Company's total revenue; gross profit decreased by 52.7% year-on-year to RMB35,792 thousand, while the gross profit margin increased by 1.8% year-on-year.

In 2025, the Group focused on its overall development strategy and continued to optimize the business strategies and structure of the corporate welfare segment. With a core emphasis on enhancing profitability, the Group balanced scale development and risk management and control. A strict client screening process was added for client onboarding to avoid receivables risks arising from client bad debts. Meanwhile, the Group proactively reduced risk-related investments, leading to a phased adjustment in the segment's GMV, revenue and gross profit.

Despite the impact of the macroeconomic environment, which led to tightened employee welfare budgets among certain clients, the domestic employee incentives and welfare management industry as a whole maintained stable development, reflecting the industry's resilience. Currently, the employee welfare market is accelerating its transformation from fragmentation to centralization, with group-based centralized procurement platform models becoming increasingly prevalent. State-owned enterprises' e-procurement platforms are continuously deepening their coverage of welfare and marketing products, while digitalization has emerged as a core pathway for enterprises to optimize procurement processes, reduce costs and improve efficiency. The industry presents significant medium and long-term development opportunities.

After four years of continuous and in-depth development, the Group has established a first-mover advantage in the corporate welfare sector: it has completed the development of digital capabilities and the reserve of professional talents, built a mature operation system in the conventional trade union market, and its service capabilities have been widely recognized in the market. It has accumulated a wealth of benchmark cases in the procurement market of state-owned and central enterprises, with mature experience in project implementation and service delivery. Meanwhile, it has formed core advantages in technology R&D, operation services and supply chain management, with strong large-scale client servicing capabilities, thereby creating a differentiated competitive edge.

Looking ahead, we will leverage our core strengths to continuously increase our participation in the e-procurement platforms of state-owned and central enterprises, deepen strategic cooperation with industry partners to achieve resource complementarity and synergies of advantages, and further strengthen our digital capabilities and end-to-end service standards. We will steadily enhance our market share and profitability, seize opportunities arising from structural changes in the industry, and inject sustained impetus into the high-quality development of our corporate welfare business.

OUTLOOK

In 2026, global geopolitical conflicts will continue to escalate, the economic environment will become more complex and volatile, and the intensified internal competition in the market will persist. The combination of multiple external uncertainties and fiercer industry competition will pose various challenges to corporate operation and development. Meanwhile, the digital process will accelerate across the board, AI technologies will be deeply integrated into all sectors, and new scenarios and models will keep emerging in the digital consumption sector. These will not only inject new impetus into industrial development but also drive the industry to accelerate its transformation toward value-oriented and high-efficiency development. Enterprises with core service capabilities and digital operation capabilities will gain a competitive edge in the market.

Faced with the rapidly changing market landscape, the Group will adhere to the business strategy of “Steady Operation, In-depth Value Creation, Innovation-driven Development, and Refined Services”, and promote higher-quality and sustainable development through multi-dimensional measures: continuously optimize internal management, improve organizational operation efficiency, deepen all-round cost control, and strengthen talent echelon development and risk prevention and control system construction; keep optimizing business structure and formulate differentiated development strategies for each business segment; gain insights into evolving customer demands, iterate and optimize customer structure, focus on projects with superior return on investment, and improve profit structure; seize opportunities in the local lifestyle sector, prudently expand into synergistic business areas, and further broaden market boundaries. At the same time, keeping abreast of digital and AI technological trends, the Group will actively explore digital commerce and AI application, empower business processes with AI technologies, and enhance operational efficiency and service value.

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, 2025 and 2024:

	For the year ended	
	December 31,	
	2025	2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	330,964	359,790
Cost of sales	<u>(72,173)</u>	<u>(105,573)</u>
Gross profit	258,791	254,217
Other income and gains	11,389	15,709
Selling and distribution expenses	(70,276)	(93,500)
Administrative expenses	(88,863)	(97,010)
Research and development costs	(33,570)	(44,218)
Impairment losses on financial and contract assets, net	(29,386)	(3,273)
Other expenses	<u>(3,515)</u>	<u>(2,223)</u>
Operating profits	44,570	29,702
Finance costs	<u>(2,137)</u>	<u>(3,673)</u>
Profit before tax	42,433	26,029
Income tax expense	<u>(22,558)</u>	<u>(6,621)</u>
Profit and total comprehensive income for the year	<u>19,875</u>	<u>19,408</u>
Attributable to:		
Owners of the parent	27,303	20,164
Non-controlling interests	<u>(7,428)</u>	<u>(756)</u>
Non-IFRS measure adjusted profit attributable to owners of the parent for the year⁽¹⁾	<u>28,478</u>	<u>26,163</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 IFRS Accounting Standards. 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 IFRS Accounting Standards.

REVENUE

Our revenue decreased by 8.0% from RMB359,790 thousand in 2024 to RMB330,964 thousand in 2025. 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 2025 and 2024:

	For the year ended December 31,			
	2025		2024	
	<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	205,653	62.1	207,831	57.8
Physical goods-related services	22,159	6.7	41,802	11.6
Value-added services				
Online store operation services	83,662	25.3	81,949	22.8
Others ⁽¹⁾	19,490	5.9	28,208	7.8
Total	330,964	100.0	359,790	100.0

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 1.0% from RMB207,831 thousand in 2024 to RMB205,653 thousand in 2025, 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 47.0% from RMB41,802 thousand in 2024 to RMB22,159 thousand in 2025, 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 2.1% from RMB81,949 thousand in 2024 to RMB83,662 thousand in 2025, primarily due to the addition of certain brand flagship stores we operate on behalf of brand owners, which contributed to a moderate growth in operation revenue. Revenue from our other value-added services decreased by 30.9% from RMB28,208 thousand in 2024 to RMB19,490 thousand in 2025, primarily due to a decrease in revenue from flexible employment brokerage services and corporate welfare business travel services.

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 2025 and 2024:

	For the year ended December 31, 2025		2024	
	<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	104,859	31.7	116,297	32.3
Games	48,329	14.6	64,714	18.0
Telecommunications	1,659	0.5	5,183	1.4
Lifestyle	136,461	41.2	88,037	24.5
Corporate welfare	39,656	12.0	85,559	23.8
Total	330,964	100.0	359,790	100.0

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

	For the year ended December 31, 2025		2024	
	<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	1,614,548	19.1	3,121,293	33.8
Games	1,270,018	15.1	1,817,199	19.7
Telecommunications	55,966	0.7	315,261	3.4
Lifestyle	4,976,302	59.0	3,309,176	35.8
Corporate welfare	520,448	6.1	681,646	7.3
Total	8,437,282	100.0	9,244,575	100.0

Leisure and entertainment. Revenue from the leisure and entertainment segment decreased by 9.8% from RMB116,297 thousand in 2024 to RMB104,859 thousand in 2025, 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 48.3% from RMB3,121,293 thousand in 2024 to RMB1,614,548 thousand in 2025.

Games. Revenue from the games segment decreased by 25.3% from RMB64,714 thousand in 2024 to RMB48,329 thousand in 2025. The decrease in the revenue of the games segment was mainly due to a decrease in revenue from online store operation service following reduced agency operations for game-brand flagship stores, as well as our scaled-back cooperation with certain third-party suppliers. The GMV of games-related digital goods transactions we facilitated decreased by 30.1% from RMB1,817,199 thousand in 2024 to RMB1,270,018 thousand in 2025.

Telecommunications. Revenue from the telecommunications segment decreased by 68.0% from RMB5,183 thousand in 2024 to RMB1,659 thousand in 2025, mainly due to the decrease in digital goods-related transactions in telecommunications facilitated by us through e-commerce platforms, resulting in a decrease in revenue from related services. The GMV of digital goods-related transactions in telecommunications segment we facilitated decreased by 82.2% from RMB315,261 thousand in 2024 to RMB55,966 thousand in 2025.

Lifestyle. Revenue from the lifestyle segment increased by 55.0% from RMB88,037 thousand in 2024 to RMB136,461 thousand in 2025, primarily due to an increase in digital goods-related transactions in lifestyle we facilitated, resulting in an increase in revenue from related services. The GMV of lifestyle digital goods transactions we facilitated increased by 50.4% from RMB3,309,176 thousand in 2024 to RMB4,976,302 thousand in 2025.

Corporate welfare. Revenue from the corporate welfare segment decreased by 53.7% from RMB85,559 thousand in 2024 to RMB39,656 thousand in 2025, primarily due to the restructuring of our corporate welfare business, which lowered revenue from business travel services, as well as a decrease in the retention rate for both digital and physical goods transactions. The GMV of the corporate welfare-related digital goods and physical goods transactions we facilitated decreased by 23.6% from RMB681,646 thousand in 2024 to RMB520,448 thousand in 2025.

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

	For the year ended December 31, 2025	
	GMV	% of the Group's total GMV
	<i>(RMB in thousands, except for percentage)</i>	
Tibet Fulu	3,835,980	45.5%
Wuhan Fulu	1,093,875	13.0%
Wuhan Lishuo Technology Co., Ltd.	937,817	11.1%
Xinjiang Fuyou	669,519	7.9%
Wuhan Fuyou Network Technology Co., Ltd.	366,670	4.3%
Beijing Fulu Fuxi Technology Co., Ltd.	300,755	3.6%
Beijing Yiji Qifu Technology Co., Ltd.	207,803	2.5%
Tibet Huluwa Network Technology Co., Ltd.	189,223	2.2%
Wuhan Fulu Supply Chain Management Co., Ltd.	128,688	1.5%
Wuhan Fuyun Network Technology Co., Ltd.	124,717	1.5%
Xinjiang Huluwa	110,823	1.3%
Jiangxi Fulu Network Technology Co., Ltd.	102,085	1.2%
Wuhan Fulu Information Technology Co., Ltd.	68,556	0.8%
Wuhan Souka	42,957	0.5%
Wuhan Fulu Media Co., Ltd.	39,363	0.5%
Wuhan Yiqiyou	38,811	0.5%
Wuhan Yilu	22,087	0.3%
Hangzhou Fuzhiluzhi Information Technology Co., Ltd.	10,436	0.1%
Kashgar Yiqiwan	6,707	0.1%
Wuhan Tianshi	4,420	0.1%

COST OF SALES

Our cost of sales decreased by 31.6% from RMB105,573 thousand in 2024 to RMB72,173 thousand in 2025, primarily due to a decrease in labor costs of the operating team, as well as a decrease in operating expenses such as server hosting fees and online store service fees for business operations.

Cost of Sales by Nature

The following table sets forth the components of cost of sales in 2025 and 2024:

	For the year ended December 31,			
	2025		2024	
	<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	20,392	28.3	20,684	19.6
Labor-related costs	48,721	67.5	75,140	71.2
Others ⁽¹⁾	3,060	4.2	9,749	9.2
Total	<u>72,173</u>	<u>100.0</u>	<u>105,573</u>	<u>100.0</u>

Note:

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

Commissions decreased slightly by 1.4% from RMB20,684 thousand in 2024 to RMB20,392 thousand in 2025, primarily due to a decrease in the platform commission service fee required to be paid as a result of the decrease in the digital goods transactions on e-commerce platforms we facilitated.

Labour-related costs decreased by 35.2% from RMB75,140 thousand in 2024 to RMB48,721 thousand in 2025, primarily due to a significant decrease in labor costs as a result of the structural adjustment of our business operations team.

Other costs decreased by 68.6% from RMB9,749 thousand in 2024 to RMB3,060 thousand in 2025, 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 2025 and 2024:

	For the year ended December 31,			
	2025		2024	
	RMB	%	RMB	%
	(RMB in thousands, except for percentage)		(RMB in thousands, except for percentage)	
Leisure and entertainment	22,931	31.8	38,751	36.7
Games	13,105	18.1	28,297	26.8
Telecommunications	622	0.9	3,941	3.7
Lifestyle	31,651	43.8	24,707	23.4
Corporate welfare	3,864	5.4	9,877	9.4
Total	72,173	100.0	105,573	100.0

Leisure and entertainment. Cost of sales from the leisure and entertainment segment decreased by 40.8% from RMB38,751 thousand in 2024 to RMB22,931 thousand in 2025, primarily due to a decrease in staff costs for the operation team and dispatched labor in the leisure and entertainment segment.

Games. Cost of sales from the games segment decreased by 53.7% from RMB28,297 thousand in 2024 to RMB13,105 thousand in 2025, primarily due to a decrease in staff costs for the operation team in the games segment, coupled with a decrease in the GMV of transactions on e-commerce platforms, which led to a reduction in service commissions and platform service fees for payment consumption scenarios.

Telecommunications. Cost of sales from the telecommunications segment decreased by 84.2% from RMB3,941 thousand in 2024 to RMB622 thousand in 2025, primarily due to a corresponding decrease in commissions paid by us to e-commerce platforms as the significant decrease in telecommunications-related digital goods transactions we facilitated through e-commerce platforms, while its labor costs of the operating team decreased.

Lifestyle. Cost of sales from the lifestyle segment increased by 28.1% from RMB24,707 thousand in 2024 to RMB31,651 thousand in 2025, primarily due to the increase in GMV of lifestyle segment, the increase in service commissions from sales channels, and the significant increase in labor costs of the operating team resulting from the growth in business.

Corporate welfare. Cost of sales from the corporate welfare segment decreased by 60.9% from RMB9,877 thousand in 2024 to RMB3,864 thousand in 2025, primarily due to the restructuring of the corporate welfare business, resulting in the decrease in labor costs of the operating team.

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, 2025 and 2024:

	For the year ended December 31,			
	2025		2024	
	<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	81,928	78.1	77,546	66.7
Games	35,224	72.9	36,417	56.3
Telecommunications	1,037	62.5	1,242	24.0
Lifestyle	104,810	76.8	63,330	71.9
Corporate welfare	35,792	90.3	75,682	88.5
Total	<u>258,791</u>	<u>78.2</u>	<u>254,217</u>	<u>70.7</u>

Our overall gross profits increased slightly by 1.8% from RMB254,217 thousand in 2024 to RMB258,791 thousand in 2025, primarily due to the overall cost of sales declined to a greater extent than revenue, resulting in a modest growth in gross profit. Meanwhile, our gross profit margin increased by 7.5% from 70.7% in 2024 to 78.2% in 2025.

The gross profit from the leisure and entertainment segment increased by 5.7% from RMB77,546 thousand in 2024 to RMB81,928 thousand in 2025, primarily due to an increase in revenue from leisure and entertainment-related value-added services, as well as a decrease in leisure and entertainment revenue declining at a slower rate than costs.

The gross profit from the games segment decreased by 3.3% from RMB36,417 thousand in 2024 to RMB35,224 thousand in 2025, primarily due to a decrease in revenue from game-related value-added services.

The gross profit from the telecommunications segment decreased by 16.5% from RMB1,242 thousand in 2024 to RMB1,037 thousand in 2025, primarily due to a significant decrease in GMV and revenue of telecommunications-related digital goods facilitated.

The gross profit from the lifestyle segment increased by 65.5% from RMB63,330 thousand in 2024 to RMB104,810 thousand in 2025, primarily due to a significant increase in GMV and revenue of lifestyle-related digital goods.

The gross profit from the corporate welfare segment decreased by 52.7% from RMB75,682 thousand in 2024 to RMB35,792 thousand in 2025, primarily due to a significant decrease in revenue from digital goods and physical distribution in the corporate welfare segment.

OTHER INCOME AND GAINS

Other income and gains decreased by 27.5% from RMB15,709 thousand in 2024 to RMB11,389 thousand in 2025, mainly comprising the government grant income of RMB5,482 thousand, the interest income of RMB3,203 thousand, gains on changes in fair value of RMB2,189 thousand and gain on disposal of subsidiary of RMB 167 thousand. The change was primarily due to a year-on-year decline in investment income.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses decreased by 24.8% from RMB93,500 thousand in 2024 to RMB70,276 thousand in 2025, primarily due to a decrease in labor costs, travel expenses and entertainment expenses. Our staff salary and welfare expenses and labor dispatch service fees decreased by 36.7% from RMB55,161 thousand in 2024 to RMB34,918 thousand in 2025, primarily due to the Group's cost reduction and efficiency improvement, which streamlined and optimized the business-operations teams, lowering the overall labor costs. The business operation expenses for business adjustments, such as travel expenses and entertainment expenses, decreased by 49.6% from RMB11,855 thousand in 2024 to RMB5,974 thousand in 2025.

ADMINISTRATIVE EXPENSE

Administrative expenses decreased by 8.4% from RMB97,010 thousand in 2024 to RMB88,863 thousand in 2025, primarily due to (i) a decrease of RMB3,040 thousand in termination benefits; (ii) a decrease of RMB9,759 thousand in staff salary and welfare expenses and labor dispatch service fees; (iii) a decrease of RMB2,390 thousand in depreciation of right-of-use assets; (iv) a decrease of RMB574 thousand in hospitality expenses; (v) an increase of RMB3,727 thousand in professional consulting fees; and (vi) an increase of RMB455 thousand in stamp duty.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs decreased by 24.1% from RMB44,218 thousand in 2024 to RMB33,570 thousand in 2025, primarily due to a decrease in labor costs for the R&D team.

NET PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS

Impairment losses on financial and contract assets increased by 797.8% from RMB3,273 thousand in 2024 to RMB29,386 thousand in 2025, primarily due to the Group optimising its customer credit risk assessment framework and adopting a more prudent impairment provision policy by taking into account customers' actual credit standing, historical settlement record and changes in the overall operating environment.

OTHER EXPENSES

Other expenses increased by 58.1% from RMB2,223 thousand in 2024 to RMB3,515 thousand in 2025, mainly comprising the contract penalty of RMB2,135 thousand, and the loss on disposal of current assets of RMB1,340 thousand. The change was primarily due to an increase in contract penalty expenses and losses on disposal of assets.

OPERATING PROFIT

Our operating profit was RMB44,570 thousand in 2025, compared to RMB29,702 thousand in 2024.

FINANCE COSTS

Finance costs decreased by 41.8% from RMB3,673 thousand in 2024 to RMB2,137 thousand in 2025, mainly due to a decrease in interest payable following a decrease in interest-bearing bank loans.

PROFIT BEFORE TAX

After the deduction of finance costs, our profit before income tax was RMB42,433 thousand in 2025, compared to RMB26,029 thousand in 2024.

INCOME TAX EXPENSES

The income tax expense increased by 240.7% from RMB6,621 thousand in 2024 to RMB22,558 thousand in 2025, mainly due to an increase in deferred income tax expenses, as well as the receipt of a periodic/routine tax inspection notice from the tax authority in the Xinjiang region during the year, following which the tax status was finalized and reaffirmed, with additional income tax of RMB 7,183 thousand subsequently paid.

PROFIT FOR THE YEAR

As a result of the foregoing, our profit for the year increased by 2.4% from RMB19,408 thousand in 2024 to RMB19,875 thousand in 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Company had no significant event after the end of the Reporting Period.

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 IFRS Accounting Standards, we use a non-IFRS measure, adjusted profit for the year, which is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating items 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 a 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:

	For the year ended	
	December 31,	
	2025	2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit attributable to owners of the parent for the year	27,303	20,164
Adjustments:		
Share-based payment expenses	(1,408)	6,147
Foreign exchange gains and losses	2,583	(148)
Non-IFRS measure adjusted profit attributable to owners of the parent for the year	28,478	26,163

OTHER FINANCIAL INFORMATION

Capital structure

Our total assets decreased from RMB1,764,025 thousand as at December 31, 2024 to RMB1,597,088 thousand as at December 31, 2025, while our total liabilities decreased from RMB482,521 thousand as at December 31, 2024 to RMB398,796 thousand as at December 31, 2025.

As at December 31, 2025, the Group had no assets pledged. As at December 31, 2025, interest-bearing bank loans of RMB10,000 thousand of the Group were pledged against accounts receivable with a carrying amount of RMB10,000 thousand.

Liquidity and capital resources

Our principal sources of liquidity were cash generated from operations, and bank loans and other borrowings. As at December 31, 2025, we had cash and cash equivalents of RMB324,299 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.

Net cash generated from operating activities of the Group amounted to RMB241,238 thousand (2024: RMB205,001 thousand), net cash generated from investing activities amounted to RMB46,104 thousand (2024: net cash used of RMB80,788 thousand), and net cash used in financing activities amounted to RMB272,697 thousand (2024: net cash generated of RMB38,495 thousand). As at December 31, 2025, the Group had cash and cash equivalents of RMB324,299 thousand (December 31, 2024: RMB310,442 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 22.5% from RMB5,271 thousand for the year ended December 31, 2024 to RMB4,086 thousand for the year ended December 31, 2025, primarily due to the accumulated capital invested in prior periods, together with no substantial expansion in business scale in the current period and the implementation of cost reduction and efficiency enhancement policies, significant asset procurement expenditures were reduced in the current period.

Indebtedness, off-balance sheet commitment and contingent liabilities

As at December 31, 2025, our total indebtedness amounted to RMB398,796 thousand (RMB482,521 thousand as at December 31, 2024), of which our interest-bearing indebtedness included lease liabilities of RMB7,036 thousand and interest-bearing bank and other borrowings of RMB10,000 thousand. As at December 31, 2025, our bank and other borrowings were all denominated in RMB. For the year ended December 31, 2025, our bank loans and other borrowings were interest-bearing at rates ranging from 1.15% to 2.60% per annum (for the year ended December 31, 2024: ranging from 1.05% to 4.80%).

As at December 31, 2025, we did not have any off-balance sheet arrangements and material contingent liabilities.

Significant investments held

For the year ended December 31, 2025, we did not have any significant investments.

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

For the year ended December 31, 2025, we did not have any material acquisitions or disposals of subsidiaries or affiliated companies.

Gearing ratio

As at December 31, 2025, 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.

Foreign exchange risk management

We mainly carry out our operations in the PRC with most transactions settled in Renminbi. As at December 31, 2025, 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, 2025, we did not have other plans for material investments and capital assets.

RELATIONSHIP WITH STAKEHOLDERS

Employee and remuneration policy

As at December 31, 2025, we had 606 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

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	4	330,964	359,790
Cost of sales		<u>(72,173)</u>	<u>(105,573)</u>
Gross profit		258,791	254,217
Other income and gains	4	11,389	15,709
Selling and distribution expenses		(70,276)	(93,500)
Administrative expenses		(88,863)	(97,010)
Research and development costs		(33,570)	(44,218)
Impairment losses on financial and contract assets, net		(29,386)	(3,273)
Other expenses		(3,515)	(2,223)
Finance costs		<u>(2,137)</u>	<u>(3,673)</u>
PROFIT BEFORE TAX	5	42,433	26,029
Income tax expense	6	<u>(22,558)</u>	<u>(6,621)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>19,875</u>	<u>19,408</u>
Attributable to:			
Owners of the parent		27,303	20,164
Non-controlling interests		<u>(7,428)</u>	<u>(756)</u>
		<u>19,875</u>	<u>19,408</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
Profit for the year (<i>RMB</i>)	8	<u>0.07</u>	<u>0.05</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		2,341	3,210
Right-of-use assets		6,998	6,370
Goodwill		674	674
Other intangible assets		16,051	27,862
Deferred tax assets		15,075	20,009
Total non-current assets		41,139	58,125
CURRENT ASSETS			
Trade receivables	9	591,690	493,143
Contract assets		3,379	33,278
Prepayments, other receivables and other assets		561,967	652,295
Due from related parties		23,285	23,285
Financial assets at fair value through profit or loss		39,516	91,839
Financial assets at fair value through other comprehensive income		9,000	–
Restricted cash		2,813	101,618
Cash and cash equivalents		324,299	310,442
Total current assets		1,555,949	1,705,900
CURRENT LIABILITIES			
Trade payables	10	140,990	90,236
Other payables and accruals		229,162	209,534
Interest-bearing bank and other borrowings		10,000	170,710
Lease liabilities		5,063	3,869
Tax payable		11,608	6,202
Total current liabilities		396,823	480,551
NET CURRENT ASSETS		1,159,126	1,225,349
TOTAL ASSETS LESS CURRENT LIABILITIES		1,200,265	1,283,474

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities		<u>1,973</u>	<u>1,970</u>
Total non-current liabilities		<u>1,973</u>	<u>1,970</u>
Net assets		<u>1,198,292</u>	<u>1,281,504</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		278	278
Reserves		<u>1,220,264</u>	<u>1,298,072</u>
		1,220,542	1,298,350
Non-controlling interests		<u>(22,250)</u>	<u>(16,846)</u>
Total equity		<u>1,198,292</u>	<u>1,281,504</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 31 October 2019 and its share are listed on The Stock of Exchange Limited. 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

The consolidated 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”). In addition, the consolidated financial statements include applicable disclosures by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by 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 2025. 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 AMENDMENT TO AN IFRS ACCOUNTING STANDARD THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

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

Amendments to IAS 21 *Lack of Exchangeability*

The application of an amendment to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated 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 2025	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>
Segment revenue						
External customers	<u>104,859</u>	<u>48,329</u>	<u>1,659</u>	<u>136,461</u>	<u>39,656</u>	<u>330,964</u>
Segment cost	<u>(22,931)</u>	<u>(13,105)</u>	<u>(622)</u>	<u>(31,651)</u>	<u>(3,864)</u>	<u>(72,173)</u>
Gross profit	<u>81,928</u>	<u>35,224</u>	<u>1,037</u>	<u>104,810</u>	<u>35,792</u>	<u>258,791</u>
<i>Reconciliation:</i>						
Unallocated income and gains						11,389
Corporate and unallocated expense						(225,610)
Finance costs						<u>(2,137)</u>
Profit before tax						<u>42,433</u>

Year ended 31 December 2024	Leisure and entertainment RMB\$'000	Games RMB\$'000	Telecommuni- cations RMB\$'000	Lifestyle RMB\$'000	Corporate welfare RMB\$'000	Total RMB\$'000
Segment revenue						
External customers	<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>

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:

	2025 RMB'000	2024 RMB,000
Customer A from the leisure and entertainment segment and the games segment*	<u>—</u>	<u>35,040</u>

* The corresponding revenue did not contribute over 10% to the Group's revenue for the respective year.

4. REVENUE, OTHER INCOME AND GAINS

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

	2025	2024
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>		
Digital goods-related services		
– acted as an agent	205,653	207,831
Physical goods-related services		
– acted as an agent	22,159	41,802
Online stores operating services		
– acted as an agent	83,662	81,949
Others	19,490	28,208
	330,964	359,790

Revenue from contracts with customers

(i) Disaggregated revenue information

Year ended 31 December 2025

Segments	Leisure and entertainment RMB'000	Games RMB'000	Telecommuni- cations RMB'000	Lifestyle RMB'000	Corporate welfare RMB'000	Total RMB'000
Types of services						
Provision of digital goods-related services	41,094	35,870	-	114,214	14,475	205,653
Provision of physical goods-related services	-	-	-	-	22,159	22,159
Provision of online store operating services	58,604	10,904	22	14,132	-	83,662
Others	5,161	1,555	1,637	8,115	3,022	19,490
Total revenue from contracts with customers	104,859	48,329	1,659	136,461	39,656	330,964
Timing of revenue recognition:						
Services transferred at a point in time	104,859	48,329	1,659	136,461	39,656	330,964

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
Types of services						
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	<u>116,297</u>	<u>64,714</u>	<u>5,183</u>	<u>88,037</u>	<u>85,559</u>	<u>359,790</u>
Timing of revenue recognition:						
Services transferred at a point in time	<u>116,297</u>	<u>64,714</u>	<u>5,183</u>	<u>88,037</u>	<u>85,559</u>	<u>359,790</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 Board 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>	2025 <i>RMB'000</i>	2024 <i>RMB,000</i>
Other government grants	(i)	5,482	5,972
Interest income		3,203	3,531
Gain on disposal of a subsidiaries		167	541
Gain on fair value change of fair value change through profit or loss		2,189	22
Others		348	5,643
		11,389	15,709

- (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/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB,000</i>
Employee benefit expense* (including directors' and chief executive's remuneration):		
Wages and salaries	133,343	171,159
(Reversal of)/provision for equity-settled share-based payment expenses, net	(1,408)	6,147
Pension scheme contributions	7,119	19,458
Social security contributions and accommodation benefits	7,184	22,365
	146,238	219,129
Research and development costs	33,570	44,218
Promotion and marketing expenses**	27,471	23,362
Commission to third party platforms**	20,391	21,430
Foreign exchange loss/(gain)	2,585	(148)
Platform usage fees and others***	3,212	8,818
Auditor's remuneration	1,100	2,450
Depreciation of right-of-use assets***	6,584	8,940
Depreciation of property, plant and equipment***	1,940	2,838
Amortisation of intangible assets***	13,517	7,636
Impairment losses on financial and contract assets, net	29,386	3,273
Loss on disposal of right-of-use assets	132	119

- * Employee benefit expenses of RMB30,115,000 (2024: RMB39,776,000) were included in the research and development costs for the reporting period.
- ** Expenses included in “selling and distribution expenses”.
- *** Expenses included in “administrative expenses”.

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 2025 and 2024 according to the strategy of western development in the PRC (Caishui [2020] No. 23).

Xinjiang 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 Xinjiang 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB,000</i>
Current – PRC Corporate Income Tax		
Charge for the year, net	10,935	9,282
Deferred tax	4,934	(2,661)
Under-provision in prior years, net	6,689	–
	<hr/>	<hr/>
Total tax charge for the year	22,558	6,621
	<hr/>	<hr/>

7. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB,000</i>
Special Dividend declared and paid – HK\$ 0.269 per ordinary share	<u>99,254</u>	<u>–</u>

On 7 November 2025, the board of directors has declared a special dividend of HK\$0.269 per ordinary share of the Company (the “Special Dividend”) to the shareholders of the Company. The Special Dividend were paid on 5 December 2025 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 26 November 2025.

No final dividends were paid or declared by the Company for the year ended 31 December 2025.

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 in issue (excluding shares held for restricted share unit scheme and treasury shares) 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 (excluding shares held for restricted share unit scheme and treasury shares) 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:

	2025 <i>RMB'000</i>	2024 <i>RMB,000</i>
Earnings Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	<u>27,303</u>	<u>20,164</u>

	Number of shares	
	2025	2024
	'000	'000
		(restated)
Shares		
Weighted average number of ordinary shares in issue (excluding shares held for restricted share unit scheme and treasury shares) during the year used in the basic earnings per share calculation	402,930	405,032
Effect of dilution – weighted average number of ordinary shares:		
– Restricted share unit scheme	163	506
	403,093	405,538
	2025	2024
	RMB	RMB
Basic earnings per share	0.07	0.05
Diluted earnings per share	0.07	0.05

9. TRADE RECEIVABLES

	2025	2024
	RMB'000	RMB,000
Trade receivables	621,961	499,125
Impairment allowance	(30,271)	(5,982)
	591,690	493,143

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:

	2025 <i>RMB'000</i>	2024 <i>RMB,000</i>
Within 3 months	470,480	352,740
4 to 6 months	55,035	86,060
7 to 12 months	49,140	47,325
Over 12 months	17,035	7,018
	591,690	493,143

10. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB,000</i>
Within 3 months	124,548	71,334
4 to 6 months	11,365	10,454
7 to 12 months	877	4,842
Over 12 months	4,200	3,606
	140,990	90,236

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, 2025 (for the year ended December 31, 2024: Nil).

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the Listing are approximately HK\$803.42 million, net of underwriting fees, commissions and related total expenses paid and payable in connection thereto.

During the Reporting Period, the Company gradually utilized the net proceeds for the purposes consistent with those set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. After careful consideration of the current market environment and the business development strategy, the Board resolved to change the use of the unutilized net proceeds and published an announcement on January 29, 2026, regarding the utilization of the changed proceeds and the updated timeline. The following table sets forth the use of the net proceeds and fund balances as at December 31, 2025:

No.	Use	Planned use of net proceeds as disclosed in the Prospectus (HK\$ million)	Fund balances as of January 1, 2025 (HK\$ million)	Utilized amount during the year (HK\$ million)	Fund balance as of December 31, 2025 before change in use of proceeds (HK\$ million)	Utilized amount from the Listing Date up to December 31, 2025 (HK\$ million)	Unutilized fund balance as of the date of this announcement after the change in use of proceeds* (HK\$ million)	Updated expected timeline for utilization after the change in use of proceeds*
1.	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	On or before December 31, 2027
2.	To increase the number of our digital goods sales channel partners;	160.68 (representing approximately 20% of total net proceeds)	-	-	-	160.68	50.00	On or before December 31, 2027

No.	Use	Planned use of net proceeds as disclosed in the Prospectus (HK\$ million)	Fund balances as of January 1, 2025 (HK\$ million)	Utilized amount during the year (HK\$ million)	Fund balance as of December 31, 2025 before change in use of proceeds (HK\$ million)	Utilized amount from the Listing Date up to December 31, 2025 (HK\$ million)	Unutilized fund balance as of the date of this announcement after the change in use of proceeds* (HK\$ million)	Updated expected timeline for utilization after the change in use of proceeds*
3.	To develop our value-added services, such as membership management and interactive advertising services, virtual employee benefit services for enterprise 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	On or before December 31, 2027
4.	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	–	160.68	–	50.00	On or before December 31, 2027
5.	To fund working capital and other general corporate purposes	80.35 (representing approximately 10% of total net proceeds)	–	–	–	80.35	–	N/A
		<u>803.42</u>	<u>160.68</u>	<u>–</u>	<u>160.68</u>	<u>642.74</u>	<u>160.68</u>	

* Please refer to the announcement published by the Company on January 29, 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, 2025, 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, 2025, 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, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

In order to enhance market confidence and create value for Shareholders, during the Reporting Period, pursuant to the general mandate for the repurchase of shares granted by the Shareholders at the Company's annual general meeting held on May 17, 2024, the Company repurchased an aggregate of 2,620,000 shares, representing approximately 0.64% of the total number of Shares issued at that time, with a total consideration of approximately HK\$4,804,970. All such repurchased shares are held by the Company as treasury shares.

Details of the share repurchases are set out below:

Date of Repurchase during the Reporting Period	Number of Shares Repurchased	Maximum Price Paid per Share	Minimum Price Paid per Share	Approximate Total Consideration (HK\$)
January 2025	2,485,000	1.85	1.83	4,577,150
April 2025	135,000	1.69	1.61	227,820
Total	2,620,000	–	–	4,804,970

Save as disclosed above, during the Reporting Period, 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).

As at December 31, 2025, the Company held 2,620,000 treasury shares (as defined in Rule 1.01 of the Listing Rules). The Company intends to consider applying such treasury shares for resale, as consideration for future acquisitions, or for the grant of shares under share schemes, as well as for other purposes permitted under the Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands, having regard to market conditions and the Group's capital management needs.

AUDIT COMMITTEE

The Audit Committee, together with the Auditor, has reviewed the Company's audited consolidated financial statements for the year ended December 31, 2025. 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.

SCOPE OF WORK OF AUDITORS ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (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) and the Company (www.fulu.com).

By order of the Board
Fulu Holdings Limited
Fu Xi
Chairman

Wuhan, Hubei Province, China
March 27, 2026

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
“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
“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
“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, 2025
“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
“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 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 Fuyou”	Xinjiang Fuyou Network Technology Co., Ltd.(新疆福佑網絡科技有限公司), (formerly known as Fulu Fuyou Internet Technology Co., Ltd. (福祿福佑網絡科技有限公司) before August 20, 2025), a limited liability company established in the PRC on February 6, 2023, 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.