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360 LUDASHI HOLDINGS LIMITED

360 魯大師控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3601)

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

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024. The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by the Company's auditor in accordance with Hong Kong Standards on Auditing. These results have been reviewed by the Audit Committee.

SUMMARY OF RESULTS

	For the year ended		Year-on-year change (%)
	31 December 2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	1,315,076	790,512	66.4
Gross profit	158,071	164,962	(4.2)
Profit before taxation	36,026	53,332	(32.4)
Profit and total comprehensive income for the year	33,275	47,277	(29.6)
Profit attributable to equity holders of the Company for the year	34,901	42,642	(18.2)
Earnings per share			
– Basic and diluted (in RMB cents)	12.97	15.85	(18.2)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	3	1,315,076	790,512
Costs of sales and services		<u>(1,157,005)</u>	<u>(625,550)</u>
Gross profit		158,071	164,962
Other income	4	7,141	15,113
Other gains and losses	5	(5,847)	(2,140)
Selling and distribution expenses		(24,696)	(28,098)
Administrative expenses		(54,060)	(45,373)
Research and development expenses		(42,997)	(47,682)
Share of results of associates		(1,348)	(3,323)
Finance costs	6	<u>(238)</u>	<u>(127)</u>
Profit before taxation		36,026	53,332
Taxation	7	<u>(2,751)</u>	<u>(6,055)</u>
Profit and total comprehensive income for the year		<u>33,275</u>	<u>47,277</u>
Profit (loss) and total comprehensive income (loss) for the year attributable to:			
Owners of the Company		34,901	42,642
Non-controlling interests		<u>(1,626)</u>	<u>4,635</u>
		<u>33,275</u>	<u>47,277</u>
Earnings per share			
Basic and diluted (in RMB cents)	9	<u>12.97</u>	<u>15.85</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current Assets			
Intangible assets		2,210	2,605
Property, plant and equipment		8,000	8,306
Goodwill		989	989
Interests in associates		14,511	13,004
Financial assets at fair value through profit or loss ("FVTPL")		9,623	4,600
Deferred tax assets		9,896	14,973
Prepayments		14,873	14,873
		<u>60,102</u>	<u>59,350</u>
Current Assets			
Trade receivables	10	157,231	78,203
Other receivables, deposits and prepayments	11	80,829	40,701
Inventories		154	133
Tax recoverable		847	1,247
Financial assets at FVTPL		43,000	50,000
Term deposits with initial terms of over three months	12	–	30,000
Cash and cash equivalents	12	442,336	503,852
		<u>724,397</u>	<u>704,136</u>
Current Liabilities			
Trade and other payables	13	86,223	99,941
Contract liabilities		16,342	11,591
Lease liabilities		2,569	1,687
Income tax payable		256	3,895
		<u>105,390</u>	<u>117,114</u>
Net Current Assets		<u>619,007</u>	<u>587,022</u>
Total Assets less Current Liabilities		<u>679,109</u>	<u>646,372</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*AT 31 DECEMBER 2024*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Capital and Reserves		
Share capital	2,425	2,425
Reserves	<u>673,686</u>	<u>638,785</u>
Equity attributable to owners of the Company	676,111	641,210
Non-controlling interests	<u>646</u>	<u>2,272</u>
	<u>676,757</u>	<u>643,482</u>
Non-current Liability		
Lease liabilities	<u>2,352</u>	<u>2,890</u>
	<u><u>679,109</u></u>	<u><u>646,372</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION, STRUCTURED CONTRACTS AND BASIS OF PREPARATION

360 Ludashi Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2024 annual report.

The Company is an investment holding company. The subsidiaries of the Company are mainly engaged in online advertising services, online game platforms and operation of exclusive licensed online game business (collectively, the “**online game business**”) and smart accessories sales in the PRC.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

In the current year, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of online advertising services, online game platforms, operation of exclusive licensed online game business and smart accessories sales in the PRC.

Revenue represents services and sales income comprising the business mentioned above.

(i) Disaggregation of revenue from contracts with customers

Segment information

The Group's chief operating decision maker has been identified as the chief executive officer who reviews revenue analysis by business lines when making decisions about allocating resources and assessing performance of the Group.

As there is no other discrete financial information available for assessment of performance of different business lines, only entity-wide disclosures, major customers and geographic information are presented.

The revenues attributable to the Group's business lines for the years ended 31 December 2024 and 2023 are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Online traffic monetisation		
– Online advertising services	530,689	206,236
– Online game platforms	29,625	86,342
– Operation of exclusive licensed online game business	754,278	497,690
Electronic devices sales		
– Smart accessories sales	484	244
Total	<u>1,315,076</u>	<u>790,512</u>

Geographical information

During the years ended 31 December 2024 and 2023, the Group principally operated in the PRC and its revenue was generated in the PRC and overseas based on the location of the customers' operations. All of its non-current assets were located in the PRC.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PRC	1,254,396	750,631
Overseas	60,680	39,881
Total	<u>1,315,076</u>	<u>790,512</u>

Timing of revenue recognition

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
A point in time	510,394	285,704
Over time	804,682	504,808
Total	<u>1,315,076</u>	<u>790,512</u>

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

		2024	2023
	Business lines	<i>RMB'000</i>	<i>RMB'000</i>
Customer A*	Operation of exclusive licensed online game business	<u>146,833</u>	<u>N/A[^]</u>

* The customer is not a related party of the Group. Revenue from customer A includes the revenue from customer A and its subsidiaries within the same group.

[^] The customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2023.

4. OTHER INCOME

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants (<i>Note</i>)	1,215	4,156
Additional tax deduction	–	941
Interest income		
– bank deposits	5,046	8,598
– financial assets at FVTPL	830	1,269
Others	<u>50</u>	<u>149</u>
	<u>7,141</u>	<u>15,113</u>

Note: The Government grants mainly represented the high-tech subsidies received from local government authorities. In the opinion of the directors of the Company, the Group has fulfilled all conditions attached to the subsidies.

5. OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Fair value losses of financial assets at FVTPL	(2,997)	–
Impairment loss recognised in respect of interests in associates	(2,145)	–
Impairment loss under expected credit loss model, net of reversal	(122)	(2,347)
(Loss)/gain on disposal of property, plant and equipment	(21)	3
Gain on derecognition of interest in an associate	–	119
Net foreign exchange gains	81	472
Others	(643)	(387)
	<u>(5,847)</u>	<u>(2,140)</u>

6. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on lease liabilities	<u>238</u>	<u>127</u>

7. TAXATION

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	303	7,166
– Hong Kong	–	407
– Singapore	16	461
	<u>319</u>	<u>8,034</u>
(Over)/under provision in prior years:		
– PRC EIT	(2,688)	–
– Hong Kong	116	(315)
– Singapore	(73)	–
	<u>(2,645)</u>	<u>(315)</u>
Deferred tax	<u>5,077</u>	<u>(1,664)</u>
Total	<u>2,751</u>	<u>6,055</u>

8. DIVIDENDS

Subsequent to the end of the Reporting Period, a final dividend in respect of the year ended 31 December 2024 of HK10 cents (2023: Nil) per share, in an aggregate amount of HK\$26,900,000 (2023: Nil), has been proposed by the Board and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>34,901</u>	<u>42,642</u>
	Number of ordinary shares	
Shares	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>269,000</u>	<u>269,000</u>

There were no potential ordinary shares in issue for both 2024 and 2023.

10. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		
– related parties	8,572	11,687
– third parties	156,159	73,694
Less: allowance for credit losses	<u>(7,500)</u>	<u>(7,178)</u>
	<u>157,231</u>	<u>78,203</u>

The Group allows a credit period of 90 to 120 days to its customers of online advertising services, operation of exclusive licensed online game business and sales of smart accessories. Customers of online game platforms usually prepay the consideration before services are provided.

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the dates of delivery of goods/dates of rendering of services.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 – 90 days	135,587	69,020
91 – 180 days	20,098	7,091
Over 180 days	<u>1,546</u>	<u>2,092</u>
	<u>157,231</u>	<u>78,203</u>

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Included in non-current assets:		
Prepayment for game development and license	<u>14,873</u>	<u>14,873</u>
Included in current assets:		
Other receivables	14,567	14,400
Less: allowance for credit losses	(6,851)	(7,051)
Deductible value-added tax	8,617	4,669
Prepayments and deferred expenses	42,280	16,114
Amount due from an associate	14,300	6,500
Online payment platforms	7,821	5,627
Interest receivables	<u>95</u>	<u>442</u>
	<u>80,829</u>	<u>40,701</u>
Total	<u>95,702</u>	<u>55,574</u>

12. CASH AND CASH EQUIVALENTS/TERM DEPOSITS WITH INITIAL TERMS OF OVER THREE MONTHS

Cash and cash equivalents of the Group include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments.

As at 31 December 2024, the Group's bank balances and short term deposits amounted to RMB442,336,000 (2023: RMB503,852,000) carried interest rates, per annum, ranging from 0.01% to 4.04% (2023: 0.01% to 1.85%), such balances are held for meeting short-term cash commitments and are included in cash and cash equivalents.

As at 31 December 2024, the Group had no term deposits with initial terms of over three months (2023: RMB30,000,000, carried interest rates, per annum, ranging from 1.95% to 2.10%).

13. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables		
– related parties	2	16
– third parties	53,534	68,764
Other payables	8,025	7,106
Payables arisen from online game platforms business	1,787	2,090
Payroll payable	13,945	19,595
Other tax payable	8,930	2,370
	<u>86,223</u>	<u>99,941</u>

The credit period granted by trade creditors is normally within three months. The following is an aging analysis of trade payables presented based on the dates of delivery of goods/dates of rendering of services:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 – 90 days	36,339	55,858
91 – 180 days	14,005	12,267
Over 180 days	3,192	655
	<u>53,536</u>	<u>68,780</u>
Total	<u>53,536</u>	<u>68,780</u>

BUSINESS REVIEW AND OUTLOOK

Business Review

In 2024, the PRC experienced slowing economic growth and an inactive market. Despite the PRC government's introduction of a package of incremental policies to stabilize the economy in the fourth quarter, consumer spending willingness remained weak and corporate investment expansion tended to be cautious. In this environment, although digital marketing remains an important means for corporate promotion, the commercial environment still faces certain challenges due to weak terminal consumer demand and lackluster market expectations. The uncertainty of the economic outlook has led companies to generally tighten their budgets, resulting in a continuous decline in the number of advertisements placed by the Group's customers. The online advertising services business for mobile device utility software has also been significantly affected, thereby impacting the overall profitability of the Group.

The modern technology industry steers the development of other industries. The Group has actively seized opportunities of such business development to develop more utility software for different industries and explore more profitable business opportunities. Furthermore, by expanding its online game business and exploring e-commerce business for mobile devices, the Group recorded certain growth in revenue. The decrease in profit was primarily due to the continuous decline in online advertising services business for mobile device utility software, which previously had a relatively high gross profit margin, and the profitability decline of the long-running exclusive licensed online games, resulting in a decline in the Group's net profit in 2024. Even facing ever-changing market conditions, the Group will continue to explore and strive for new growth points.

In 2024, the Group continued to prioritize the development of its online traffic monetization business. Through upgrading and iteration of our products, as well as research and development and launch of new products, we continued to explore new business directions for our online advertising services business. The e-commerce business for mobile devices has also achieved notable progress. As for our online game business, including the operation of online game platforms and exclusive licensed online game business, we acquired new online game players and enhanced the visibility of our online game business by continuously launching engaging new online games and conducting marketing and promotional campaigns.

We developed a series of PC and mobile device utility software which were offered to users free of charge in exchange for online traffic which we monetized through the Group's online advertising services business and online game business. In particular, our utility software, "Ludashi Software", a well-known brand and software in China and globally specializing in PC/smartphone hardware and system benchmarking and monitoring, had accumulated a large user base through providing free downloads and installations. Meanwhile, we were committed to the research and development and advertising of various utility software for mobile devices in the domestic and overseas markets, from which we have accumulated a vast number of active users. In 2024, although we continued to conduct the online traffic purchase for "Ludashi Software" and various utility software, the promotion effect failed to meet our expectations and the number of our MAUs decreased due to the sluggish overall market in China. Therefore, as at 31 December 2024, the MAUs of all our PC and mobile device utility software amounted to approximately 63.7 million.

In 2024, the PC version of “Ludashi Software”, adhering to the core concept of “Technology-driven innovation, AI realizing user vision”, achieved innovation in product functions and technological leaps. Through the deep integration of AI technology, the Group has launched a series of intelligent and personalized computer tools, which have greatly enhanced user experience. At the same time, we are committed to launching a paid subscription service to provide users with a smarter, more personalized and more efficient computing environment. Key achievements include (1) in terms of product functionality innovation, we have deeply integrated cutting-edge technologies and launched an AI intelligent cleaning system, which not only efficiently performs common tasks such as C drive redundant file cleaning, duplicate file cleaning, disk cleaning and memory optimization, but also adds a privacy cleaning function to comprehensively safeguard user data security. In addition, we have launched intelligent system management tools, such as intelligent context menu management, adaptive Windows update management, dynamic taskbar optimization, start-menu upgrade and AI intelligent cooling functions, significantly enhancing the convenience and stability of system operations; (2) in terms of office scenario optimization, we launched an AI office assistant under the PC version of “Ludashi Software” in 2024, along with a desktop sidebar and AI intelligent search tool, greatly improving office efficiency and meeting users’ diverse needs in digital office; (3) in terms of security protection, we have comprehensively updated the security protection system and introduced software permission management and bundled software interception functions to create a stronger security barrier for users; (4) in terms of hardware benchmarking, the Group has developed the “Graphics Card 3D Benchmarking 2024 Edition”, while optimizing AI benchmarking to enhance support for new devices; and (5) for the gaming community, we introduced new features such as in-game monitoring and performance optimization of graphics cards around gaming usage scenarios in 2024, helping players achieve a smoother and more exciting gaming experience. Driven by technological innovation, the Group will further take advantage of AI technology to continuously explore and develop new features to create more value for users in a way that promotes the development of the industry.

The Group has vigorously developed its e-commerce business for mobile devices in 2024. Leveraging its extensive experience in online traffic placement, the Group provides precise online traffic placement and attraction services for live streaming and short videos on renowned domestic e-commerce platforms for mobile devices to earn revenue from online traffic placement. The Group will focus more on optimizing our online traffic placement strategy and increasing profitability through more precise and efficient online traffic placement services.

In 2024, by following the boutique strategy, the Group’s online game platforms successively launched various online game products to provide users with better gaming experience and customer service. The Group’s online game platforms continued to integrate new channels to experiment with various promotion methods, acquiring more precise online game users while controlling the cost of online traffic placement. In 2024, the Group established a comprehensive service mechanism to offer high-quality exclusive membership services, resulting in a continuous increase in customer service satisfaction among both new and existing users, thereby enhancing the retention of paying users.

In 2024, the Group adhered to the mission of bringing joy to global players under our exclusive licensed online game business, continuously investing in the development and operation of new online game products, and expanding the user base through the launch of new exclusive licensed online games and the ongoing promotion of existing online games. The Group established good cooperative relationships with various business partners through refined operations. We actively enhanced communication and exchange with online game developers, online game promotion channels, media and players, and continuously focused on data changes. Driven by data and prioritizing content excellence, we are aiming to be a provider of premium online game contents. The Group's current reserve of exclusive licensed online game products covers categories including business operation simulation game, role-playing game, IP licensing and card game. It is expected that some of these exclusive licensed online game products will be launched successively in 2025.

In the second half of 2024, the Group successively tested “Kung Fu Panda: Dragon Warrior (《功夫熊貓：神龍大俠》)” in regions such as Australia, Southeast Asia and Hong Kong, monitoring the game's performance through metrics such as next-day player retention rate, new paying player rate and first-day game recharge amount. The next round of testing has been conducted in mainland China at the end of February 2025.

The Group optimized the matrix of utility products and strengthened localized operations to continuously enhance the strategic layout of the overseas mobile utility product market, thereby consolidating its competitive advantage in the industry. As of 2024, the Group operated over 20 overseas mobile utility products. In particular, it is worth noting that one of the Group's utility products ranked among the top ten in application markets in many countries around the world, demonstrating the product's technological strength and the Group's global localization operational capabilities. Looking ahead to 2025, the Group will continue to increase investment in research and development, enrich the product matrix, and establish a comprehensive ecosystem of utility products. We will also continue to optimize global localization operational capabilities to expand user scale and create sustainable value returns.

The Group cooperated to launch the “Ludashi AiNAS” product in July 2024, which is a network storage device that integrates intelligence and practicality, featuring a series of core functions including file management, video playback, DDNS support, WebDAV support, video source upgrade and photo backup. Meanwhile, the Group closely followed the trend of AI technology development, by adding a smart assistant module to this product to support AI dialog and local knowledge base functions. To meet users' demand for convenient data transmission, the Group also designed the “Ludashi AiNAS Portable Version” and launched the “wireless data cable” hardware device. In the future, we will also actively expand into overseas markets, introducing the “wireless data cable” to overseas markets and seeking new growth opportunities.

In 2024, the Ludashi Hardware Laboratory consolidated its existing partnerships and collaborated with renowned electric vehicle brands to evaluate its products, and established new cooperation with leading new energy vehicle manufacturers, completing the evaluation of intelligent driving systems and range capabilities for dozens of new energy vehicles. In the future, we will continue to expand and enhance our evaluation system in terms of vehicles, providing professional evaluation services for more vehicle products.

For the year ended 31 December 2024, the Group recorded a total revenue of approximately RMB1,315.1 million, representing an increase of approximately 66.4% as compared to that of 2023, of which, the revenue from our online advertising services amounting to approximately RMB530.7 million, representing an increase of approximately 157.3% as compared to that of 2023; the revenue from our online game platforms amounting to approximately RMB29.6 million, representing a decrease of approximately 65.7% as compared to that of 2023; the revenue from the operation of exclusive licensed online game business amounting to approximately RMB754.3 million, representing an increase of approximately 51.6% as compared to that of 2023; and the revenue from our electronic devices sales business amounting to approximately RMB484,000, representing an increase of approximately 98.4% as compared to that of 2023. The net profit attributable to the parent company was approximately RMB34.9 million, representing a decrease of approximately 18.2% as compared to that of 2023.

OUTLOOK

Looking ahead to 2025, the economy is expected to gradually recover under various economic stimulus policies rolled out by the PRC government. The Group is confident in its existing business and will continue to focus on developing new businesses, including but not limited to continuously enriching overseas product matrix for mobile devices and expanding e-commerce business for mobile devices, so as to expand our market share. The Group will also actively seek suitable exclusive licensed online games to increase the number of our online games. At the same time, the Group also focuses on the steady development of its existing businesses in order to achieve long-term, healthy, sound and sustainable development of the Group.

The Group will further increase the user number and stickiness of our utility software and online game business through continued efforts to actively improve our software products and enrich our product matrix. In the meantime, we will leverage on our expertise in PC, mobile device hardware, system benchmarking and monitoring to develop innovative products so as to enhance our monetization capability. In addition, we will, through stabilizing the relationship with our suppliers, customers and users, strive to increase our operating revenue and profitability and continue to create greater value for our Shareholders and investors.

The Group will continue to implement the following strategies and strive to become a reliable hardware expert and leading internet company:

- update and iterate the PC version of Ludashi Software on an on-going basis, and proactively improve our product features to adapt to more requirements of users;
- continuously develop various types of online games and explore new distribution strategies for our premium products, and keep distributing and operating our exclusive licensed online games in China and overseas;
- constantly expand the scale of promotion investment in online game business, combine the online game traffic direction business with online game distribution business, and keep improving our competitiveness, so as to expand the scale of our operating revenue;
- complement and improve the precise online traffic placement capability of the e-commerce for mobile devices, and improve online traffic attracting ability and conversion efficiency;
- continue to enrich the overseas product matrix for mobile devices, and obtain more quality users through development and promotion of more diversified utility products;
- further improve our product quality, maintain and expand our user base, and stabilize the overseas markets by strengthening our research and development capability, and enhance our brand image as a reliable hardware expert; and
- continue to attract and retain talents and professionals, and form strategic alliances with business partners and pursue investments and acquisitions.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

We derived revenue from two business lines, namely online traffic monetization and electronic devices sales. The revenue of online traffic monetization is generated from online advertising services, online game platforms and the operation of exclusive licensed online game business. The revenue from electronic devices sales mainly includes revenue from sales of smart accessories.

Our revenue increased by approximately 66.4% from approximately RMB790.5 million for the year ended 31 December 2023 to approximately RMB1,315.1 million for the year ended 31 December 2024. Such increase was mainly due to the facts that (1) the Group acquired 80% equity interest in Tianjin Qiyu Network Technology Company Limited* (天津旗魚網絡科技有限公司) (“**Tianjin Qiyu**”) in early May 2023, so only eight months of its revenue were included in 2023, whereas the entire year of 2024 benefited from this acquisition; (2) there were mainly three well-performing online games with renowned IPs among the exclusive licensed online games operated by the Group, the latest of which was officially launched in August 2023. Therefore, only five months of its revenue were included in 2023, whereas the entire year of 2024 benefited from this launch; and (3) the Group vigorously developed its e-commerce business for mobile devices in 2024, resulting in a significant increase in revenue.

The following table sets forth our segment revenue by amount and as a percentage of our revenue for the years ended 31 December 2023 and 2024:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>Proportion (%)</i>	<i>RMB'000</i>	<i>Proportion (%)</i>
Online traffic monetization				
Online advertising services	530,689	40.3	206,236	26.1
Online game platforms	29,625	2.3	86,342	10.9
Operation of exclusive licensed online game business	754,278	57.3	497,690	62.9
Electronic devices sales				
Smart accessories sales	484	0.1	244	0.1
Total	1,315,076	100.0	790,512	100.0

(i) Online traffic monetization

(a) Online advertising services

Our revenue from online advertising services increased by approximately 157.3% from approximately RMB206.2 million for the year ended 31 December 2023 to approximately RMB530.7 million for the year ended 31 December 2024. This is attributable to the Group’s vigorous development of e-commerce business for mobile devices in early 2024, resulting in a significant increase in revenue. Our revenue from e-commerce business for mobile devices was approximately RMB381.8 million in 2024. As of 31 December 2024, the e-commerce business for mobile devices has a large balance of receivables. As at the date of this announcement, all receivables have been fully recovered in accordance with the corresponding business contracts.

(b) Online game platforms

Our revenue from online game platforms decreased by approximately 65.7% from approximately RMB86.3 million for the year ended 31 December 2023 to approximately RMB29.6 million for the year ended 31 December 2024. Such decrease was mainly due to (1) several online games that had been in operation reaching a late stage of their game life-cycle at the Reporting Period; and (2) the overall inactivity in the market, which resulted in the decreased amount of payments made by paying players.

(c) Operation of exclusive licensed online game business

Our revenue from operation of exclusive licensed online game business increased by approximately 51.6% from approximately RMB497.7 million for the year ended 31 December 2023 to approximately RMB754.3 million for the year ended 31 December 2024. Such increase was mainly due to the facts that (1) the Group acquired 80% equity interest in Tianjin Qiyu in early May 2023, so only eight months of its revenue were included in 2023, whereas the entire year of 2024 benefited from this acquisition; and (2) there were mainly three well-performing online games with renowned IPs among the exclusive licensed online games operated by the Group, the latest of which was officially launched in August 2023. Therefore, only five months of its revenue were included in 2023, whereas the entire year of 2024 benefited from this launch.

(ii) Electronic devices sales

Our revenue from electronic devices sales increased by approximately 98.4% from approximately RMB244,000 for the year ended 31 December 2023 to approximately RMB484,000 for the year ended 31 December 2024, which was mainly due to the increase in income generated from the sales or lease of electronic hardware products.

Costs of sales and services

The following table sets forth a breakdown of our costs of sales and services by amount and as a percentage of total costs of sales and services for the years ended 31 December 2023 and 2024:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>Proportion (%)</i>	<i>RMB'000</i>	<i>Proportion (%)</i>
Online traffic monetization				
Advertising and promoting	1,143,647	98.8	615,775	98.4
Server leasing	12,372	1.1	9,672	1.5
Electronic devices sales				
Smart accessories sales	986	0.1	103	0.1
Total	1,157,005	100.0	625,550	100.0

(i) *Online traffic monetization*

Cost of online traffic monetization business increased by approximately 84.8% from approximately RMB625.4 million for the year ended 31 December 2023 to approximately RMB1,156.0 million for the year ended 31 December 2024, which was mainly due to the increase in the cost of operation of exclusive licensed online game business, and the increase in the cost of online traffic placement for the expansion of the e-commerce business for mobile devices.

(ii) *Electronic devices sales*

Cost of electronic devices sales increased by over 100.0% from approximately RMB103,000 for the year ended 31 December 2023 to approximately RMB986,000 for the year ended 31 December 2024, which was mainly due to the increase in cost of sales or lease of electronic hardware products.

Gross profit and gross profit margin

The following table sets forth our gross profit (loss) and gross profit (loss) margin by business line for the years ended 31 December 2023 and 2024:

	For the year ended 31 December			
	<i>Gross profit</i>		<i>Gross profit</i>	
	2024	(loss)	2023	margin
	<i>RMB'000</i>	<i>margin</i>	<i>RMB'000</i>	<i>margin</i>
		<i>%</i>		<i>%</i>
Online traffic monetization	158,573	12.1	164,821	20.9
Electronic devices sales	(502)	(103.7)	141	57.8
Total gross profit and gross profit margin	158,071	12.0	164,962	20.9

Our gross profit decreased by approximately 4.2% from approximately RMB165.0 million for the year ended 31 December 2023 to approximately RMB158.1 million for the year ended 31 December 2024, and the gross profit margin was approximately 20.9% and 12.0% for the years ended 31 December 2023 and 31 December 2024, respectively. The decrease in gross profit margin was mainly due to the increase in the proportion of operation of exclusive licensed online game business and e-commerce business for mobile devices, which had lower gross profit margins to the Group's overall businesses.

Other income

Other income decreased by approximately 52.7% from approximately RMB15.1 million for the year ended 31 December 2023 to approximately RMB7.1 million for the year ended 31 December 2024, which was mainly due to a decrease in interest income from bank deposits and governments grants.

Other gains and losses

Other gains and losses increased by over 100.0% from losses of approximately RMB2.1 million for the year ended 31 December 2023 to losses of approximately RMB5.8 million for the year ended 31 December 2024, which was mainly due to provisions made for loss on investment in unlisted equity.

Administrative expenses

Administrative expenses increased by approximately 19.1% from approximately RMB45.4 million for the year ended 31 December 2023 to approximately RMB54.1 million for the year ended 31 December 2024. The increase in administrative expenses was due to the increase in consulting service fees and the reduction in the number of employees for business optimization, which resulted in payment of compensation expenses.

Research and development expenses

Research and development expenses decreased by approximately 9.8% from approximately RMB47.7 million for the year ended 31 December 2023 to approximately RMB43.0 million for the year ended 31 December 2024. The decrease in research and development expenses was mainly due to the reduction in the number of research and development employees for business optimization.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 12.1% from approximately RMB28.1 million for the year ended 31 December 2023 to approximately RMB24.7 million for the year ended 31 December 2024, which was mainly due to a decrease in the remuneration cost of marketing staff.

Taxation

Taxation decreased by approximately 54.6% from approximately RMB6.1 million for the year ended 31 December 2023 to approximately RMB2.8 million for the year ended 31 December 2024. Such decrease in taxation was mainly due to a decrease in the Group's profit before tax and the use of losses not made up in prior years by some subsidiaries.

Profit and total comprehensive income for the year

As a result of the foregoing, the profit and total comprehensive income for the year of the Group decreased by approximately 29.6% from approximately RMB47.3 million for the year ended 31 December 2023 to approximately RMB33.3 million for the year ended 31 December 2024.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

Since Listing, we have financed our cash requirements through a combination of cash generated from operating activities and the proceeds from the Listing. In the future, we expect to continue to rely on cash flows generated from operations, and other debt and equity financing, to fund our working capital needs and finance part of our business expansion.

As at 31 December 2023 and 31 December 2024, our bank balances and cash amounted to approximately RMB533.9 million and approximately RMB442.3 million, respectively.

The Group mainly operates in China and its functional currency is RMB. However, we are exposed to foreign currency risks due to certain bank balances, trade receivables and certain payables denominated in foreign currencies held by us. We believe the existing bank balances, trade receivables and certain payables denominated in foreign currencies expose us to limited and controllable foreign currency risks. We will continue to monitor the movements in exchange rates and will take measures to mitigate the impacts brought by movements in exchange rates if necessary.

As at 31 December 2024, we did not have any bank borrowings. Accordingly, no gearing ratio is presented.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years ended 31 December 2023 and 2024:

	For the year ended	
	31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of property and equipment	<u>531</u>	<u>701</u>
Total	<u>531</u>	<u>701</u>

Our capital expenditures primarily include expenditures for purchase of property and equipment such as laboratories, servers and computers.

SIGNIFICANT INVESTMENTS HELD

In order to effectively utilize the Group's idle funds and generate better returns, the Group has from time to time subscribed principal-guaranteed structured deposit products issued by reputable commercial bank with its idle funds.

These structured deposit products subscribed by the Group (the “**Structured Deposit Products**”) are fully principal-guaranteed with minimal risks involved and their returns are relatively high as compared with the deposit interest rates generally offered by commercial banks in the PRC. The Structured Deposit Products were funded by the Group's idle funds with a relatively short term which would not affect the operational liquidity of the Group.

During the Reporting Period, the Group subscribed 10 Structured Deposit Products offered by China Merchants Bank, details of which are as follows:

i. The Structured Deposit Product Agreement XXXIV

Date: 4 January 2024

Product: Gold-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB50 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.70%

Term of the deposit: 21 days

Value date: 5 January 2024

Expiry date: 26 January 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination or redemption of the product

ii. The Structured Deposit Product Agreement XXXV

Date: 2 February 2024

Product: Gold-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB43 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.71%

Term of the deposit: 21 days

Value date: 5 February 2024

Expiry date: 26 February 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination or redemption of the product

iii. The Structured Deposit Product Agreement XXXVI

Date: 4 March 2024

Product: Gold-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間21天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB46 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.71%

Term of the deposit: 21 days

Value date: 5 March 2024

Expiry date: 26 March 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Anyixun Technology has no right of early termination or redemption of the product

iv. The Structured Deposit Product Agreement XXXVII

Date: 15 April 2024

Product: Exchange rate-linked Series Bearish Two-tier 14-day Structured Deposit of China Merchants Bank* (招商銀行智匯系列看跌兩層區間14天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB40 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of USD to JPY. Deposit interest is determined based on the performance of the linked exchange rate of USD to JPY

Expected maturity interest rate per annum: 1.85% to 2.86%

Term of the deposit: 14 days

Value date: 16 April 2024

Expiry date: 30 April 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination or redemption of the product

v. The Structured Deposit Product Agreement XXXVIII

Date: 8 May 2024

Product: Exchange rate-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank* (招商銀行智匯系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB40 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of EUR to USD. Deposit interest is determined based on the performance of the linked exchange rate of EUR to USD

Expected maturity interest rate per annum: 1.85% to 2.61%

Term of the deposit: 21 days

Value date: 9 May 2024

Expiry date: 30 May 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination or redemption of the product

vi. The Structured Deposit Product Agreement XXXIX

Date: 5 June 2024

Product: Exchange rate-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank* (招商銀行智匯系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB45 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of EUR to USD. Deposit interest is determined based on the performance of the linked exchange rate of EUR to USD

Expected maturity interest rate per annum: 1.85% to 2.51%

Term of the deposit: 21 days

Value date: 6 June 2024

Expiry date: 27 June 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination or redemption of the product

vii. The Structured Deposit Product Agreement XL

Date: 4 July 2024

Product: Exchange rate-linked Series Bearish Two-tier 21-day Structured Deposit of China Merchants Bank* (招商銀行智匯系列看跌兩層區間21天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB45 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the exchange rate of EUR to USD. Deposit interest is determined based on the performance of the linked exchange rate of EUR to USD

Expected maturity interest rate per annum: 1.65% to 2.46%

Term of the deposit: 21 days

Value date: 5 July 2024

Expiry date: 26 July 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Chengdu Qilu has no right of early termination or redemption of the product

viii. The Structured Deposit Product Agreement XLI

Date: 7 August 2024

Product: Gold-linked Series Bullish Two-tier 61-day Structured Deposit of China Merchants Bank*
(招商銀行點金系列看漲兩層區間61天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB43 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold.
Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.71%

Term of the deposit: 61 days

Value date: 8 August 2024

Expiry date: 8 October 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Anyixun Technology has no right of early termination or redemption of the product

ix. The Structured Deposit Product Agreement XLII

Date: 10 October 2024

Product: Gold-linked Series Bullish Two-tier 61-day Structured Deposit of China Merchants Bank*
(招商銀行點金系列看漲兩層區間61天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB43 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold.
Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.46%

Term of the deposit: 61 days

Value date: 11 October 2024

Expiry date: 11 December 2024

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Anyixun Technology has no right of early termination or redemption of the product

x. The Structured Deposit Product Agreement XLIII

Date: 16 December 2024

Product: Gold-linked Series Bullish Two-tier 62-day Structured Deposit of China Merchants Bank*
(招商銀行點金系列看漲兩層區間62天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB43 million

Type: Principal-guaranteed with floating interest rate

Linked subject and deposit interest: The interest on such deposit is linked to the price of gold.
Deposit interest is determined based on the performance of the linked gold price

Expected maturity interest rate per annum: 1.85% to 2.31%

Term of the deposit: 62 days

Value date: 17 December 2024

Expiry date: 17 February 2025

Risk rating of the product (the risk rating made by the bank): R1 (cautious)

Termination and redemption: In principle, Anyixun Technology has no right of early termination or redemption of the product

As at 31 December 2024, the Structured Deposit Product Agreement XXXIV, Structured Deposit Product Agreement XXXV, Structured Deposit Product Agreement XXXVI, Structured Deposit Product Agreement XXXVII, Structured Deposit Product Agreement XXXVIII, Structured Deposit Product Agreement XXXIX, Structured Deposit Product Agreement XL, Structured Deposit Product Agreement XLI and Structured Deposit Product Agreement XLII have expired and the total amount of the actual interest received from these matured Structured Deposit Products were RMB77,671.23, RMB67,044.66, RMB71,722.19, RMB43,879.45, RMB60,065.75, RMB64,984.93, RMB63,690.41, RMB194,748.77 and RMB176,783.01, respectively.

As at 31 December 2024, the outstanding Structured Deposit Products amounted to RMB43 million. Save as disclosed in this announcement, there were no other significant investments held during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant acquisition and disposal during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2024, the Group had no future plan for material investments or capital assets.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, we had 181 full-time employees, all of whom are located in the PRC. Specifically, such full-time employees included 2 senior management members, 71 employees who are responsible for sales and marketing, 83 employees who are responsible for research and development and 25 administrative employees.

We offer employees competitive remuneration, performance-based bonuses and incentives. Our employees' performance is reviewed every year on the basis of, among other criteria, their ability to achieve stipulated performance targets. We place great emphasis on the training and development of our employees. We have developed a series of personalized training conferences based on our industry experience over the years. We invest in continuing education and training programs for our management personnel and other employees with a view to constantly upgrading their skills and knowledge. We also arrange internal and external professional training programs to develop our employees' skills and knowledge. These programs include continuing education, basic economic and financial knowledge and skills training, as well as professional development courses for our management personnel. New employees are required to attend induction meetings to ensure they have understanding of the Group and the necessary skills to perform their duties. In accordance with the applicable PRC laws and regulations, we have made contributions to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident funds for our employees.

PLEDGE OF ASSETS

As at 31 December 2024, the Group did not have any pledge of assets.

CONTINGENT LIABILITIES AND GUARANTEES

As at 31 December 2024, the Group did not have any significant contingent liabilities, guarantees or any litigations.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 31 December 2024 and up to the date of this announcement.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.10 per Share for the year ended 31 December 2024 (2023: Nil). The proposed final dividend is subject to the approval of the Shareholders at the forthcoming Annual General Meeting and is expected to be paid on 25 June 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on 4 June 2025.

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting will be held on 26 May 2025. The register of members of the Company will be closed from 21 May 2025 to 26 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the Annual General Meeting, during which no share transfers will be registered. To be eligible to attend the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 20 May 2025.

For the purpose of determining the entitlement of Shareholders to the proposed final dividend, the register of members of Company will be closed from 2 June 2025 to 4 June 2025, both days inclusive, during which no share transfers will be registered. In order to be qualified for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 30 May 2025.

COMPLIANCE WITH THE CG CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders. During the Reporting Period, except for code provision C.2.1 of the CG Code, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Tian Ye currently performs these two roles concurrently. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company to ensure appropriate and timely arrangements are in place to meet changing circumstances.

THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiries to all the Directors, all the Directors confirmed that they have strictly complied with the required standards as set out in the Model Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including treasury shares).

AUDIT COMMITTEE

The Company has established the Audit Committee, the primary duties of which are to make recommendations to our Board on the appointment and dismissal of the external auditor, monitor and review the financial statements and information and oversee the financial reporting system, risk management and internal control systems of the Company. The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhang Ziyu, Mr. Li Yang and Mr. Wang Xinyu. The chairman of the Audit Committee is Mr. Zhang Ziyu.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024 and agreed to the accounting principle and practices adopted by the Group.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

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 31 December 2024 as set out in this results announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this results announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.ludashi.com). The annual report for the year ended 31 December 2024 containing all information required by the Listing Rules will be dispatched to Shareholders requiring printed copies and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“AI”	Artificial Intelligence, intelligence demonstrated by machines;
“Annual General Meeting”	the annual general meeting of the Company to be held on 26 May 2025;
“Audit Committee”	the audit committee of the Board;
“Anyixun Technology”	Chengdu Anyixun Technology Company Limited* (成都安易迅科技有限公司), a limited liability company established in the PRC on 20 October 2015 and a wholly-owned subsidiary of the Company;
“Board” or “Board of Directors”	the board of Directors of the Company;
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“Chengdu Qilu”	Chengdu Qilu Technology Company Limited* (成都奇魯科技有限公司), a limited liability company established in the PRC on 25 November 2014 and is deemed to be a wholly-owned subsidiary of the Company pursuant to the Contractual Arrangements;
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“China Merchants Bank”	China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600036) and the Main Board of the Stock Exchange (stock code: 3968);
“Company”	360 LUDASHI HOLDINGS LIMITED (360魯大師控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3601);

“Contractual Arrangements”	a series of contractual arrangements entered into among Anyixun Technology, Chengdu Qilu and the registered shareholders of Chengdu Qilu, i.e. Beijing Qihu Technology Company Limited* (北京奇虎科技有限公司), Mr. Tian Ye, Shanghai Songheng Network Technology Company Limited* (上海嵩恒網絡科技股份有限公司) (currently known as Shanghai Dongfangwang Digital Technology Company Limited* (上海東方網數字科技服務有限公司)) and Chengdu Qilu Haochen Enterprise Management Consulting Company Limited* (成都奇魯昊宸企業管理諮詢有限公司);
“Director(s)”	director(s) of the Company;
“EUR”	Euro, the lawful currency of Eurozone;
“Group”, “we”, “us” or “our”	the Company, its subsidiaries and the PRC Operating Entities;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKAS(s)”	Hong Kong Accounting Standards;
“HKFRS(s)”	Hong Kong Financial Reporting Standards;
“HKICPA”	Hong Kong Institute of Certified Public Accountants;
“JPY”	Japanese yen, the lawful currency of Japan;
“Listing”	the 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;
“Ludashi Software”	hardware and system benchmarking and monitoring software and App operated by the Group;
“MAU(s)”	monthly active user(s), a key performance indicator for software, mobile apps and online games. Monthly active users are calculated by counting the number of unique devices that activate the software, mobile apps or online games for at least once during a calendar month;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;

“NAS”	Network Attached Storage;
“PC(s)”	personal computers;
“PRC Operating Entities”	collectively, Chengdu Qilu, Tianjin Qiyu Network Technology Company Limited* (天津旗魚網絡科技有限公司), Tianjin Weilaiying Technology Company Limited* (天津未來盈科技有限公司), Chengdu Zhiyunjie Technology Company Limited* (成都智云界科技有限公司) and Tianjin Liu Liuyou Technology Company Limited* (天津六六遊科技有限公司) and its subsidiary (and the “ PRC Operating Entity ” means any one of them), the financial results of which have been consolidated and accounted for as the subsidiaries of the Company by virtue of the Contractual Arrangements;
“RMB”	Renminbi, the lawful currency of the PRC;
“Reporting Period”	the year ended 31 December 2024;
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“USD”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

By order of the Board
360 Ludashi Holdings Limited
Mr. Tian Ye
Chairman and executive Director

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises: Mr. Tian Ye and Ms. Jian Lu as executive Directors; Mr. Li Xin, Mr. Liu Wei and Mr. Zhao Dan as non-executive Directors; and Mr. Li Yang, Mr. Wang Xinyu and Mr. Zhang Ziyu as independent non-executive Directors.

* *For identification purpose only*