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Rego Interactive Co., Ltd
(潤 歌 互 動 有 限 公 司)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2422)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors of Rego Interactive Co., Ltd is pleased to announce the audited consolidated financial results of the Company and its subsidiaries for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows. The Annual Results have been reviewed by the audit committee of the Company.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Year-on-year
	2024	2023	Change
	RMB'000	RMB'000	%
Revenue	244,646	191,062	+28.0
Gross profit	65,808	101,667	-35.3
(Loss)/profit before income tax	(37,846)	14,899	-354.0
(Loss)/profit for the year attributable to owners of the Company	(37,960)	12,558	-402.3
Adjusted net (loss)/profit <i>(Note)</i>	(27,917)	21,713	-228.6

Note: Please refer to “Non-HKFRS Measures: Adjusted Net Profit” on Page 18 of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Due to the consumer market sentiment in China in 2024 was downturned, many enterprises had reduction in marketing budgets, at the same time the digital transformation kept rising the technological trend in 2024, enterprises were experiencing variation rapidly on the marketing strategies.

Advertising Market in China

According to the “2024 media publisher trend research report” from CTR Market Research published on 6 June 2024, the advertising market in China has shown strong adaptability and resilience based on changes in the macro environment. While the overall recovery is improving in 2024, advertisers are looking forward to higher certainty and a clearer direction for future development, seeking long-term and high-quality development. Also, the advertisers think that “the internal concern” is become more important when making the advertising decisions with the advertising budget growth will be limited in 2024. Moreover, according to the CTR Market Research, the new products and the new technology were the main focus as over 90% of the advertisers has the demand on new products development.

Our Group can utilise our experience and solid foundation in the intense advertising market competition by our in-depth understanding of advertisers’ core needs, marketing strategies and brand image and values, we can better solve advertisers’ pain points and provide them with more targeted and effective advertising services. At the same time, we have launched the Lottery experience tickets as the new means of products to serve our customers’ marketing purposes in 2024.

Lottery Market in China

There are two legal lottery operators in the PRC: the national China Welfare Lottery Issuance and Administration Centre (“**Welfare Lottery**” or “**WLIAC**”) and the national China Sports Lottery Issuance and Administration Center (“**Sports Lottery**”). According to Ministry of Finance of the PRC’s figures, PRC annual lottery sales in 2024 amounted to approximately RMB623.5 billion, representing an increase of approximately 7.6% over 2023. Of this, sales of Welfare Lottery amounted to approximately RMB208.0 billion, representing an increase of approximately 7.0% compared to 2023. Sports Lottery achieved sales of approximately RMB415.5 billion, representing an increase of approximately 7.9% compared to 2023.

The lottery market had continuously increased since 2021 from RMB373.3 billion to RMB623.5 billion in 2024. According to the Ministry of Civil Affairs of the PRC’s announcement on lottery tickets’ usage of public welfare funds 2023, the public welfare funds had raised over RMB58.0 billion in 2023. The public welfare funds’ purpose is to “help the elderly and the disabled, rescuing the orphans and relieving the poor”, which had used on support the elderly care facilities and rehabilitation assistive device allocation service for

disabled, etc. Lottery sales had undertaken the responsibilities on raising the social welfare funds and the development of public welfare causes which become more important in recent years.

Our Group

Our Group has deeply engaged in the field of digital marketing services since 2015. Our business covers the lottery industry, virtual goods sourcing and delivery service with integration, and physical goods supply chain.

Our Group equipped with the strong R&D capabilities in respect of lottery solutions and built business relationships with the provincial WLIACs in 23 provinces, municipalities and autonomous regions in the PRC covering over 130,000 lottery sales points. We are an early mover and innovator of lottery security systems in the lottery solutions market and industry digitalisation in the PRC, having well-established business relationships with various provincial WLIACs and offering relatively comprehensive IT solutions that cover the various key areas in the business operation of lottery sales points; as a leading lottery solution provider, our Group could take advantage of its strong brand recognition and proven track records of cooperating with the WLIACs to secure its leading position in the industry. We will comprise our major competitive advantages in our provision of IT solutions on lottery-related software systems and equipment for the development of the Group.

With the accumulated massive supply chain resources of the virtual goods and physical goods, and abundant customers base of financial services and institutions and telecom operators, our Group can customise the integration packages of various coupons, vouchers, and other marketing online vouchers and interests products. We have been deeply engaged in top-up for telecommunication services and online vouchers and interests since 2017, our Group provided a stable and efficient service to customers. Through the integration of our supply chain resources, we provide the enterprises' customers for their employee's welfare.

Due to the rapid changes in the consumption pattern in China, identification or cultivation of high-value users and development on users' lifetime value have become important. Our Group, as a marketing service provider based in the PRC, we focused on the strategy of provision of "Online-Merge-Offline" ("**OMO**") solution services in order to better empower digital transformation for customers, which represents a integration of online and offline experiences and creates a marketing services operation platform for our consumers. OMO is to break the barriers between online and offline and use data and technology to strengthen and enrich customer experience, thereby achieving true online and offline integration.

In terms of being a lead marketing service provider in PRC, we restructured the operating segments to two main segments, including "Corporate digitalisation solutions services" (企業數字化服務) and "Industry digitalisation solutions services" (行業數字化服務) as the core, to achieve the "Cross-industry Empowerment solutions services" (異業賦能服務) in the future.

Corporate digitalisation solutions services

Our corporate digitalisation solutions services focused on providing the promotions and advertising services and the solution to the enterprise on user acquisition and user maintaining for their employees or customers which is serving the enterprises' private domain traffic. To achieve the focus, we kept developing our own virtual goods sourcing and delivery services and tangible goods sourcing and deliver services supply chain in the first half of 2024. We aimed to serve our customers private traffic through the digitalisation products and marketing services operation platform services to empower the enterprises.

Virtual goods sourcing and delivery services

Our Group seizes the opportunities on the development of the digitalisation economy, we started to focus on the digital technology strategy and the digitalisation marketing track in previous years. Our virtual goods sourcing and delivery services are supported by platform-based technological capabilities through our Rego Virtual Goods Platform, we are committed to providing our customers with innovative, tailored made packages marketing solutions.

Our Group focuses on the main business line as core which has been developed in virtual goods sourcing and delivery services in previous years together with innovative business. At the same time, our Group keeps excavating new customers opportunities in financial services and institutions, insurance authorities and telecom operators to establish a digital service capability business matrix through main business lines. With one-stop marketing solutions as core products, our Group aggregates upstream and downstream resources of the supply chains to build a digital marketing service platform to achieve in-depth mining and sustainable growth of user value.

On the other hand, our Group expand our innovative business such as the tailored made packages or products for our customers and the Lottery experience tickets (彩票體驗券), etc. to empower our core business for expansion our business boundaries and to promotes the coordinated and integrated growth of various businesses synergies.

During 2024, through our diversification of customers' industry, we have provided services to nearly 39 enterprise customers, which contained 14 customers in financial services and institutions industry. We have actively explored the integrated innovation on the different package products in cross cooperation with our different business partners. We aim to improve the experience quality of our customers' private domain traffic through our Group's experience on the modifying our selection on our suppliers every day and enriching the choices of the virtual goods for our customers.

In November 2023, we had obtained the approval for our Lottery experience tickets (彩票體驗券) with China Sports Lottery Centre. We serve as a third-party service system provider to provide enterprises with the required marketing services for lottery experience tickets, with the ability of the lottery center's redemption's ability. After the end customers meets the requirements for collection and redemption at the enterprise, the end consumers will obtain

the Lottery experience tickets (彩票體驗券) verification QR code from our third-party service system, the end customers can redeem the QR code at the authorized offline lottery stores of China Sports Lottery Centre.

Throughout the innovative marketing mode, the consumption activity and the excitement will be effectively enhanced by Lottery experience tickets (彩票體驗券), as the widespread participation and entertainment of lottery tickets and possible jackpot incentives for end customers. On the side of the enterprises, it also can enhance the brand influence and achieve customer retention, as “Lottery tickets is a casual public welfare” the enterprises will be enhancing the image by using the Lottery experience tickets (彩票體驗券) as the marketing means. We hope to achieve the sharing on the product traffic in digitalisation products business and marketing services operation platform services by using Lottery as core link.

Tangible goods sourcing and delivery service

Our focus on this sub-segment in 2024, we aims to establish a comprehensive supply chain for our customers on their user acquisition and user maintaining for their employees or customers their by our marketing services operation platform. Our aims to serve our enterprises’ customers for their group purchases together with the employee welfare purchases. To fulfil the purposes of real time delivery, we had 3 warehouse with over 4,459 types of stock keeping unit (“SKU”) to ensure the efficiency on our customers’ demand. At the same time, we provide customised online shopping mall solutions with the well-developed supply chain sourcing and fulfillment services. For the purpose of maintaining the loyalty of the employees and customers, we provide tailored loyalty systems solutions.

In 2024, our Group kept looking for new brands or products to expand our choices for our customers. We had entered an cooperation agreement with a famous Chinese Baijiu sales company, which the brand’s sales revenue had reached over RMB30 billion in FY2023, to provide Chinese Baijiu distribution services. At the same time, we had entered the Lottery experience tickets (彩票體驗券) marketing agreement with the Chinese Baijiu sales company stated above to accomplish cross-selling benefit on customer retention.

During 2025, we plan to establish the marketing services operation platform by providing our customers for their employees a staff points welfare redemption platform to boost the morale of the enterprises through out our supply chain on virtual goods and tangible goods.

Industry digitalisation solutions services

Our Industry digitalisation solutions services focused on the lottery sector, as utilising the advantage of the Group which had serving over 23 provinces in the welfare lottery in previous years.

The industry value chain of the lottery market in China involves the issuance of lottery (R&D and issuance), lottery production (security systems, lottery terminals, printing services, etc.), lottery sales (various sales channels, marketing, offline sales channel expansion) and other lottery-related services (data analysis, payment system operations, logistics, etc.). The entire value chain is regulated and supervised by the PRC government.

Lottery solutions providers refer to companies that provide hardware, system and software, printing, marketing and/or other related services of the lottery market in China. Lottery hardware mainly include lottery terminals and lottery draw machines, while lottery system and software generally include sales management systems, information management systems, security systems, monitoring systems and SaaS platforms. Our Group is one of the leading suppliers of lottery solutions providers in China.

Our lottery-related software systems and equipment principally include the lottery security, information management and supervision systems. Our integrated business security access system (一線通) enables secure communication and interaction between provincial WLIACs and lottery sales points. To this end, our security access centre equipment and security access terminal equipment assists in establishing the requisite information security system, while our software platform enables such communication and interaction process. We have systems in place to monitor and obtain live feedback on the status and conditions of the security access equipment and software platform to facilitate swift feedback and maintenance and upgrade services. We also provide outlets management system to monitor lottery sales activities and information security system to monitor external interference to the lottery systems. Our lottery-related software systems are designed and developed internally, while our lottery-related equipment, such as servers, motherboards, terminal equipment and firewall system, have been procured from external suppliers. Our lottery-specific communication system uniformly deployed in 23 provinces. We are proficient in providing the lottery terminals, lottery marketing, and lottery store empowerment, etc. During 2024, the Group won over 39 tenders mainly to supply the lottery terminals or the maintenance service of the integrated business security access system (一線通) or other systems to Welfare Lottery, including a newly developed province. The Group will continue to pursue tenders to supply our lottery terminals with Welfare Lottery and Sports Lottery.

Our focus in 2025 and afterwards will focus on AI digital lottery store (AI數字彩票門店) to gather private domain traffic from lottery players/lottery stores.

OUTLOOK OF 2025

For 2024, the worldwide economic climate continues to be challenging with persistent sluggish growth. In light of this, our strategy is to closely monitor the economic trends and shifts in the competitive market landscape. We aim to concentrate on and bolster our primary business areas, streamline the distribution of capital, and enhance the efficiency of our operations.

Simultaneously, we plan to heighten our awareness of potential risks and stick to cautious risk management strategies. This approach will help ensure our company's steady progress amidst the complexities of the ever-evolving economic scenario. Furthermore, we intend to proactively expand our strategic vision, keenly identify and capitalize on new opportunities within our "Corporate digitalisation solutions services" (企業數字化服務) and "Industry digitalisation solutions services" (行業數字化服務) as the core, to achieve the Cross-industry Empowerment solutions services" (異業賦能服務) in the future. By adopting adaptable business strategies, we aim to boost the energy and resilience of our company's growth and foster its continuous and stable development.

For the Corporate digitalisation solutions services, we aim to seize growth opportunities in exploring new stable and reliable customers and suppliers, use omnichannel marketing strategies to accurately reach various consumer groups, and actively explore new growth points. By employing a comprehensive marketing strategy, we can precisely target a diverse range of consumer demographics. Furthermore, we are committed to actively seeking out new areas of growth. As the digital transformation of enterprises deepens, we will continue to firmly layout in the field of corporate welfare business. Throughout our well developed supply chain on both virtual goods and physical goods, we aim to provide our clients with diverse, flexible, and efficient welfare solutions.

At the same time, we will focus to the lottery marketing tickets to seize the chances on the growth of lottery sales to expand our market presence among the Welfare Lottery and Sports Lottery in 2025.

For Industry digitalisation solutions services, we will continue to build on its market presence among the two legal lottery operators in PRC – Welfare Lottery and Sports Lottery. With our strong R&D capability, we will continue to develop the lottery software or hardware in relation to the lottery industry digitalisation solutions, and provide AI-based intelligent technology and industry solutions with the integration of software and hardware, with an aim to promote the application of lottery industry intelligent IoT, intelligent AI algorithm and human – computer interaction in the lottery industry and facilitate the digital transformation of the lottery shops. Also, we will excavate the opportunity with additional provincial in both Welfare Lottery and Sports Lottery for solutions on lottery related software systems and equipment, the Group will further align and benefit from synergies created through the cross segment encountered.

Lastly, the Group will continue to prioritise its strategic investments to maximise the synergies across different business. The Group will continue to dedicate its commitment and support to grow its business to further capitalize on diversification opportunities. Through the development of the Group, we will keep actively negotiated with the target company which provision of e-commerce solutions to its brand partners mainly derived from products sales to achieve the expansion via e-commerce platforms to develop an enhancement on the supply chain of the Group.

FINANCIAL PERFORMANCE REVIEW

Revenue

The following table sets forth the breakdown of our revenue by segments for the years indicated:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Corporate digitalisation solution services				
Enterprises' private domain traffic marketing services	58,826	24.0	66,055	34.6
Marketing service operation platform services				
– Virtual goods sourcing and delivery services	40,202	16.4	68,420	35.8
– Tangible goods sourcing and delivery services	114,908	47.0	18,594	9.7
Others (<i>Note</i>)	982	0.4	5,858	3.1
Sub-total	214,918	87.8	158,927	83.2
Industry digitalisation solutions services				
Solutions on lottery related software systems and equipment	29,728	12.2	32,132	16.8
Others	–	–	3	–
Sub-total	29,728	12.2	32,135	16.8
Total	244,646	100.0	191,062	100.0

Note: Others include revenue from the software development and maintenance services which was previously under IT solution segment.

1. Revenue from corporate digitalisation solution services

Our corporate digitalisation solutions services focused on providing the promotions and advertising services and the solution to the enterprise on user acquisition and user maintaining for their employees or customers which is serving the enterprises' private domain traffic. The following table sets forth our revenue from corporate digitalisation solution services for the years indicated:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Corporate digitalisation solution services				
Enterprises' private domain traffic marketing services	58,826	27.4	66,055	41.6
Marketing service operation platform services				
– Virtual goods sourcing and delivery services	40,202	18.7	68,420	43.1
– Tangible goods sourcing and delivery services	114,908	53.5	18,594	11.7
Others	982	0.4	5,858	3.6
Total	214,918	100.0	158,927	100.0

Corporate digitalisation solution services mainly comprise enterprises' private domain traffic marketing services, marketing services operation platform services with virtual goods sourcing and delivery services and tangible goods sourcing and delivery services. Our revenue from the Corporate digitalisation solution services increased by 35.2%, from approximately RMB158.9 million for the year ended 31 December 2023 to RMB214.9 million for the year ended 31 December 2024, mainly attributed by the tangible goods sourcing and delivery services which had started in late June 2023, which had the increment at RMB96.3 million revenue compared with the year ended 31 December 2023. For the revenue generated from our Corporate digitalisation solution services representing 87.8% and 83.2% of our total revenue for the years ended 31 December 2024 and 2023.

Revenue from corporate digitalisation solution services by type of marketing channels

We provide our corporate digitalisation solution services to our customers through an integration of online and offline marketing channels. Leveraging on our technical capability, we focused on the strategy of provision of OMO Solution Services in order to better empower digital transformation for customers. The table below sets forth a breakdown of revenue generated from our corporate digitalisation solution services by type of marketing channels for the years indicated:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Online	100,010	46.5	140,330	88.3
Offline	–	0.0	3	0.0
Hybrid	114,908	53.5	18,594	11.7
	<u>214,918</u>	<u>100.0</u>	<u>158,927</u>	<u>100.0</u>

Our revenue attributable to online services amounted to RMB100.0 million and RMB140.3 million, representing 46.5% and 88.3% of our total revenue from corporate digitalisation solution services for the years ended 31 December 2024 and 2023, respectively. We consider that the expansion of our online services was and will continue to be one of the major factors for the business growth of our corporate digitalisation solution services, therefore the % of online proportion were kept constant at over 95%. At the same time, there will be a integration of online and offline experiences.

Revenue from corporate digitalisation solution services by type of customers

Customers of our corporate digitalisation solution services include (i) enterprises that have demand for corporate digitalisation solution services for their business; and (ii) advertising agents of the enterprises. The table below sets forth a breakdown of revenue generated from our corporate digitalisation solution services by type of customers for the years indicated:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Advertising agents	75,920	35.3	62,026	39.0
Enterprises	138,998	64.7	96,901	61.0
	<u>214,918</u>	<u>100.0</u>	<u>158,927</u>	<u>100.0</u>

Our revenue arise from enterprises' customers increased from 61.0% of the total revenue from corporate digitalisation solution services for the year ended 31 December 2023 to 64.7% of the total revenue from corporate digitalisation solution services for the year ended 31 December 2024 mainly contributed to the Group has maintained the prudent policy on the selection of high quality customers to manage the exposure to credit risks, which were contributed by the tangible goods sourcing and delivery services with highly contributed 53.5% of revenue to corporate digitalisation solution services in 2024.

Enterprises' private domain traffic marketing services

Our enterprises' private domain traffic marketing services comprises our revenue of traditional marketing and promotion services, advertisement placement services and Operator related digital marketing services, which included our advertisement distribution services.

We normally enter into annual framework agreements with our customers and charge them for our traditional marketing and promotion services based primarily on a mix of CPA (i.e. cost per action, such as download, installation or registration by end users), CPS (i.e. cost per sales); for advertisement distribution service, media publishers or their agents primarily pay to us service fees determined with reference to a mix of performance parameters of the advertisement distribution services, including but not limited to, impressions, clicks, CTR and/or CPM (i.e. combined performance parameters). For the advertisement placement services, we received top-up amounts from our customers (net of rebates, if any) and the amounts paid by us to the media publishers (or their channel agents) (net of rebates, if any) for topping-up of our customers' accounts maintained on the platforms operated by the media publishers. Our suppliers, being the media publishers or their agents, may also grant us rebates on a quarterly and/or annual basis which are recorded as our revenue.

For the operator-related digital marketing services mainly comprises with cross enterprises' corporation services (previous known as "traditional marketing and promotion services"), the cooperation with the telecom operator for the tailored made virtual goods package for the marketing purposes; loyalty points redemption of virtual goods services; the advertisement placement services and advertisement distribution services. Providing the advertising services with the telecom operator which can fulfill our Company's strategy for having the corporation with high-quality clients. Through the operator related digital marketing services, we will provide the data management platform for our customers on tracking the consumption data on the virtual goods package, etc. for the analysis purposes; the ended customers management; the suppliers management and 24 hours monitoring alert. Through our operator-related digital marketing services business, we can provide target-oriented marketing services for our operator.

For the revenue of enterprises' private domain traffic marketing services, the revenue were mainly contributed by the cross-enterprises' corporation services (previous known as "traditional marketing and promotion services") of RMB53.4 million which covered 90.8% of the total revenue from enterprises' private domain traffic marketing services for the year ended 31 December 2024.

Revenue from corporate digitalisation solution services – Virtual goods sourcing and delivery services

We generated revenue of RMB40.2 million and RMB68.4 million, respectively, from our virtual goods sourcing and delivery services, representing approximately 18.7% and 43.1% of our revenue from corporate digitalisation solution services for the years ended 31 December 2024 and 2023. The decrease in the revenue generated from our virtual goods sourcing and delivery services during the years was mainly attributable to the revenue from one of the major customers from the virtual goods sourcing and delivery had decreased RMB22.1 million revenue in FY2024 compared with FY2023. The table below sets forth a breakdown of revenue generated from our virtual goods sourcing and delivery services by type of virtual goods for the years indicated:

	For the year ended 31 December			
	2024		2023	
	RMB'000	%	RMB'000	%
Top-up for telecommunication services	10,120	25.2	21,376	31.2
Online vouchers and interests (<i>Note</i>)	23,147	57.6	33,178	48.5
Gift cards of gas stations	6,935	17.2	13,866	20.3
Total	40,202	100.0	68,420	100.0

Note: We offer a wide spectrum of online vouchers and interests including but not limited to memberships of online entertainment platforms, gift cards of e-marketplaces, coffee vouchers, membership of online healthcare and medical services and packages combining various types of online vouchers and interests.

The following table illustrates the reconciliation of the Gross Merchandise Value (“GMV”) and our revenue recorded under our virtual goods sourcing and delivery services during the years indicated:

	For the year ended	
	31 December	
	2024	2023
	RMB’000	RMB’000
GMV	1,251,505	1,893,775
Less: purchase costs of the virtual goods	(1,211,303)	(1,825,355)
Revenue	40,202	68,420

The total GMV of the virtual goods offered by us under our virtual goods sourcing and delivery services amounted to RMB1,251.5 million and RMB1,893.8 million for the year ended 31 December 2024 and 2023, respectively. The decrease in the total GMV of the virtual goods offered by us was primarily due to the decrease in our product offerings and the decrease in the demand from the major customers in FY2023. The number of virtual goods available on our Rego Virtual Goods Platform decreased from 3,263 in FY2023 to 1,905 in FY2024.

Customers of our virtual goods sourcing and delivery services came from different industry include (i) advertising agents; (ii) financial services and institutions; (iii) insurance authorities; (iv) telecom operators; and (v) others. The table set out the total number of customers in different industries for the years indicated:

	For the year ended 31 December			
	2024		2023	
	<i>No. of</i>		<i>No. of</i>	
	<i>customers</i>	<i>%</i>	<i>customers</i>	<i>%</i>
Advertising agents	19	48.7	17	40.5
Financial services and institutions	14	35.9	14	33.3
Insurance authorities	3	7.7	3	7.1
Telecom operators	–	–	2	4.8
Others	3	7.7	6	14.3
	39	100.0	42	100.0

Our Group had kept developed new opportunities on customers with high quality from different industries during the year ended 31 December 2024.

Revenue from tangible goods sourcing and delivery services

We generated revenue of RMB114.9 million and RMB18.6 million from our tangible goods sourcing and delivery services, representing approximately 53.5% and 11.7% of our revenue from corporate digitalisation solution services for the year ended 31 December 2024 and 2023. We had expanded our services from virtual goods sourcing and delivery services to products sourcing and delivery services which is tangible and covered mainly on daily necessities in late June 2023.

We aimed at providing more choices for our customers on the selection on the products for their marketing purposes. We had offered 4,459 and 957 different type of SKU with over 708 and 370 brands for the years ended 31 December 2024 and 2023. The following table set forth the breakdown of our revenue from tangible goods sourcing and delivery services for the years ended 31 December 2024 and 2023 by type of products sold:

	For the year ended 31 December			
	2024		2023	
	RMB'000	%	RMB'000	%
Daily necessities	37,510	32.6	10,553	56.8
Drinks and Food	40,561	35.3	2,209	11.9
Seasoning	31,670	27.6	1,879	10.1
Liquor	5,006	4.4	273	1.5
Others	161	0.1	3,680	19.7
	<u>114,908</u>	<u>100.0</u>	<u>18,594</u>	<u>100.0</u>

2. Revenue from our industry digitalisation solution services

We primarily offer industry digitalisation solution services in relation to solutions on lottery related software systems and equipment. Our Industry digitalisation solutions services focused on the lottery sector, as utilising the advantage of the Group which had serving over 23 provinces in the welfare lottery in previous years. Our lottery-related software systems and equipment principally include the lottery security and payment systems. Our integrated business security access system (一線通) enables secure communication and interaction between provincial WLIACs and lottery sales points. To this end, our security access center equipment and security access terminal equipment assist in establishing the requisite information security system, while our software platform enables such communication and interaction process. We have systems in place to monitor and obtain live feedback on the status and conditions of the security access equipment and software platform to facilitate swift feedback and maintenance and upgrade services. We also provide outlets management system to monitor lottery sales activities and information security system to monitor external interference to the lottery systems.

Our revenue from industry digitalisation solution services amounted to RMB29.7 million and RMB32.1 million for the years ended 31 December 2024 and 2023, respectively. Such decrease by 7.5% from approximately RMB32.1 million for the year ended 31 December 2023 to approximately RMB29.7 million for the year ended 31 December 2024 was primarily attributable to (i) due to the economic uncertainty, the WLIACs were preferred to have the maintenance services rather than the sales of lottery related systems and equipment, which affected the revenue of over-time revenue of industry digitalisation solution services were increased from RMB13.9 million to RMB17.2 million during the years ended 31 December 2023 and 2024; and (ii) there were approximately RMB2.6 million revenue from sales of lottery related systems and equipment had not yet been transferred to the WLIACs as at 31 December 2024.

Our total revenue increased by RMB53.5 million, or 28.0%, from RMB191.1 million for the year ended 31 December 2023 to RMB244.6 million for the year ended 31 December 2024. The increment of revenue was mainly attributable to: the increases in our revenues generated from corporate digitalisation solutions services, mainly contributed by the virtual goods sourcing and delivery services and tangible goods sourcing and delivery services which were started in June 2023. Our Group focuses on the main business line as core which has been developed in virtual goods sourcing and delivery services in previous years together with innovative business, such as the tailored made packages or products for our customers and the Lottery experience tickets (彩票體驗券). At the same time, our Group's another focus in 2024 is to establish a comprehensive supply chain for our customers on their user acquisition and user maintaining for their employees or customers their by our marketing services operation platform.

Cost of Sales

Our cost of sales primarily consists of (i) traffic acquisition cost; (ii) cost of goods sold; and (iii) employee benefit expenses.

Our total cost of sales increased by RMB89.4 million, or 100.0%, from RMB89.4 million for the year ended 31 December 2023 to RMB178.8 million for the year ended 31 December 2024, which was primarily attributable to the increment on the cost of inventories from tangible goods sourcing and delivery services and sales on lottery systems and equipment of RMB116.0 million for the year ended 31 December 2024 compared with RMB27.2 million for the year ended 31 December 2023. The cost of inventories representing approximately 64.9% and 30.4% of our cost of sales for the years ended 31 December 2024 and 2023 which constituted the largest portion of the cost of sales.

Gross Profit and Gross Profit Margin

Our gross profit consists of our revenue less cost of sales. The Group recorded gross profit of approximately RMB65.8 million for the year ended 31 December 2024, representing a decrease of approximately 35.3% as compared to approximately RMB101.7 million for the year ended 31 December 2023, which was mainly attributable to the revenue structure and the Group's focus had shifted to tangible goods sourcing and delivery services, which is recorded in gross basis in revenue in 2024. The virtual goods sourcing and delivery services contributed 16.4% and 35.8% of the total revenue for the years ended 31 December 2024 and 2023; tangible goods sourcing and delivery services contributed 47.0% and 9.7% of the total revenue for the years ended 31 December 2024 and 2023, which indicated the shift of the Group's focus from the revenue structure.

Gross profit margin represents gross profit divided by total revenue, expressed as a percentage. Our gross profit margin decreased from 53.2% for the year ended 31 December 2023 to 26.9% for the year ended 31 December 2024, which was mainly attributable to the increment on revenue in tangible goods sourcing and delivery services which recognising revenue on gross basis, weighted 47.0% and 9.7% in total revenue for the years ended 31 December 2024 and 2023, therefore the increase of the costs of inventories will lower the gross profit margin.

Other Income and Other Gains or Losses, Net

Our other income and other gains or losses primarily consist of (i) bank interest income; (ii) government grants; (iii) net valuation losses in fair value of financial assets at fair value through profit or loss; (iv) others; (v) foreign exchange differences; (vi) write-off of advance to a supplier; and (vii) impairment loss on goodwill.

Our other income and other gains or losses, increased by approximately RMB0.7 million, or 140%, from approximately losses of RMB0.5 million for the year ended 31 December 2023 to approximately gains of RMB0.2 million for the year ended 31 December 2024.

Selling and Distribution Expenses

Our selling and distribution expenses primarily comprise of (i) employee benefit expenses, which mainly include salaries, bonuses and other benefits for our sales and marketing personnel; (ii) travel and entertainment expenses; (iii) advertising and promotion expenses; (iv) rentals, depreciation and impairment of right-of-use assets; (v) service fees mainly in relation to technical support, software development and installation of equipment for our solutions on lottery related software system and equipment; and (vi) others.

Our selling and distribution expenses increased by approximately RMB9.2 million, or 71.9%, from approximately RMB12.8 million for the year ended 31 December 2023 to approximately RMB22.0 million for the year ended 31 December 2024. Such increase was primarily due to the increment on the expenses for the marketing and business development.

Administrative Expenses

Our administrative expenses primarily consist of: (i) employee benefit expenses, which mainly include salaries, bonuses and other benefits for our administrative personnel; (ii) travel and entertainment expenses; (iii) professional fees; (iv) general office expenses; and (v) others.

Our administrative expenses increased by approximately RMB0.2 million, or 0.6%, from approximately RMB34.6 million for the year ended 31 December 2023 to approximately RMB34.8 million for the year ended 31 December 2024, which was remained consistent for the year ended 31 December 2023.

Research and Development Expenses

Our R&D expenses primarily consist of: (i) employee benefit expenses, which primarily comprise the salaries, bonuses and other benefits of our R&D staff; (ii) technical service and copyright fees, which mainly represent expenses for R&D projects outsourced to a university and other external institutions and acquisition cost for copyrights; and (iii) depreciation of property, plant and equipment.

Our R&D expenses increased by approximately RMB3.3 million, or 15.7%, from approximately RMB21.0 million for the year ended 31 December 2023 to approximately RMB24.3 million for the year ended 31 December 2024.

Finance Costs

Our finance costs primarily consist of: (i) interest expenses on bank borrowings and (ii) interest expenses on lease liabilities.

Our finance costs increased by approximately RMB2.4 million, or 92.3%, from approximately RMB2.6 million for the year ended 31 December 2023 to approximately RMB5.0 million for the year ended 31 December 2024. Such increase was primarily due to the increase of approximately RMB2.3 million in the interest expenses of our bank borrowings resulting from the increase in bank borrowings in line with business expansion during 2024.

Income Tax Expense

Our income tax expenses decreased by approximately RMB0.9 million, or 39.1%, from approximately RMB2.3 million for the year ended 31 December 2023 to approximately RMB1.4 million for the year ended 31 December 2024. Our effective income tax rate increased from 15.7% for the year ended 31 December 2023 to 3.8% for the year ended 31 December 2024, which was because most of the subsidiaries of the Group were recorded a loss before income tax for the year ended 31 December 2024, therefore the income tax had been decreased significantly in 2024.

(Loss)/profit for the Year

Our (loss)/profit for the year decreased by approximately RMB51.9 million, or 411.9%, from approximately RMB12.6 million profit for the year ended 31 December 2023 to approximately RMB39.3 million loss for the year ended 31 December 2024.

Non-HKFRS Measure: Adjusted Net (Loss)/profit

To supplement our consolidated financial statements, which are presented in accordance with the HKFRS, we also use adjusted net (loss)/profit as an additional financial measure, which is not required by, or presented in accordance with, the HKFRS. We believe that such non-HKFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items which our management considers to be non-indicative of our operating performance. We believe that such 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 net (loss)/profit may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRS.

The following table reconcile our adjusted net (loss)/profit for the years presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit for the year attributable to owners of the Company	(37,960)	12,558
Add:		
Foreign exchange differences	(61)	(910)
Change in fair value of financial assets at fair value through profit or loss	2,745	10,065
Impairment loss on goodwill	2,359	–
Write-off of advance to a supplier	5,000	–
Non-HKFRS Measure		
Adjusted net (loss)/profit	(27,917)	21,713

Employees and Remuneration Policies

As of 31 December 2024, we had 311 (2023: 257) full-time employees, the majority of whom were based in Hangzhou, China, Shanghai, China and Xi'an, China.

The remuneration of our employees is determined based on their performance, experience, competence and market comparable. We provide our employees with competitive salaries and bonuses determined by performance, housing subsidies, regular team building activities and internal opportunities of career advancement. Our Group adopts an appraisal system for our employees, where their respective supervisor and our president's office conduct monthly or quarterly performance review depending on their rank and determines the amount of bonus to be awarded accordingly.

Our Group's total staff costs (including Directors' emolument, salaries, bonus, social insurance and provident funds) amounted to approximately RMB54.0 million for the year ended 31 December 2024 (For the year ended 31 December 2023: approximately RMB49.5 million). As required by the PRC laws and regulations, we have made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, maternity leave insurance and occupational injury.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualification, position, experience, performance and time commitment. They receive compensation in the form of salaries, allowances, discretionary bonuses and contributions to defined contribution retirement plan.

The Company has adopted a share option scheme on 27 July 2022 as incentives or rewards to Eligible Persons for their contributions to the Group. The purpose of the Share Option Scheme is to incentivise and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme. During the Year, no option had been granted or agreed to be granted by the Company under the Share Option Scheme.

Contingent Liabilities and Indebtedness

As at 31 December 2024, the Group had the interest-bearing borrowings of RMB87.5 million which consists RMB14.0 million was unsecured and guaranteed, RMB9.0 million was secured and guaranteed and HK\$64.5 million was unsecured and unguaranteed (As at 31 December 2023: RMB156.2 million which consists RMB30.0 million was unsecured and guaranteed, RMB48.2 million was secured and guaranteed and RMB78.0 million was unsecured and unguaranteed). The maturity profile of the interest-bearing bank borrowings as at 31 December 2024 and 2023 were repayable within one-year or on demand. In addition, as at 31 December 2024, the Group had lease liabilities of RMB6,545,000 (As at 31 December 2023: RMB169,000).

Save as the above, the Group did not have any material contingent liabilities as at 31 December 2024 (As at 31 December 2023: nil).

Liquidity, Financial and Capital Resources

During the year ended 31 December 2024, we financed our capital expenditure and working capital requirements mainly through bank borrowings, the proceeds received from the Global Offering of the Company's shares in October 2022 and the proceeds received from the Rights Issue in December 2023. As at 31 December 2024, we had bank borrowings of approximately RMB87.5 million (As at 31 December 2023: RMB156.2 million). The range of effective interest rates on the borrowings was 2.8% to 4.3% (As at 31 December 2023: 2.8% to 5.0%) per annum for the year ended 31 December 2024. The Group's gearing ratio as of 31 December 2024 was 28.0% (As at 31 December 2023: 39.8%). As at 31 December 2024, the Group's cash and cash equivalents were mainly held in RMB and HKD, and the cash and cash equivalents remain constant from RMB186.5 million as of 31 December 2023 to RMB139.0 million.

We currently do not use any financial instruments for hedging purposes.

Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associate, and Joint Venture

On 22 December 2023, the Company entered into a legally binding memorandum of understanding ("MOU"), pursuant to which the Company will acquire 100% of the equity interest in Shanghai Maichun Brand Management Company Limited* (上海麥純品牌管理有限公司), a company established in PRC, and is principally engaged in the provision of e-commerce solutions to its brand partners on product sales.

Our Directors are of the view that our Group could benefit from the potential acquisition of Shanghai Maichun Brand Management Company Limited in order to enlarge our Group's supplier and customer base and diversify our Group's business profile.

For further details, please refer to the announcement of the Company dated 22 December 2023.

On 5 August 2024, the Company entered in to the Supplemental MOU to extend the Expiry Date from 31 August 2024 to 30 June 2025.

For further details, please refer to the announcement of the Company dated 5 August 2024.

Save as disclosed above, there were no significant investments held by the Company nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

Capital Commitments

There are no significant capital commitments outstanding provided for as at 31 December 2024 (As at 31 December 2023: nil).

Charge on the Group's Assets

As at 31 December 2024, the Group had pledged the property, plant and equipment with carrying amount of approximately RMB17,126,000 were pledged to secure the bank borrowing (As at 31 December 2023: trade receivable and pledged bank deposits with carrying amount of RMB8,850,000 and RMB44,831,000 respectively were pledged to secure the bank borrowings).

Future Plan for Material Investment and Capital Assets

Save as disclosed in the Prospectus and in the sections headed “Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associate, and Joint Venture” and “Use of Proceeds” in this announcement, there was no other plans for material investments and capital assets as at the date of this announcement.

Top Customers

Our top five customers accounted for 53.1% and 56.1% of our revenue for the years ended 31 December 2024 and 2023, respectively. Our largest customer accounted for 33.4% and 19.6% of our revenue for the years ended 31 December 2024 and 2023, respectively.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of our subsidiary, had any interest in any of our top five customers during the Year.

Top Suppliers

Our top five suppliers accounted for 67.9% and 68.5% of our total costs of sales for the years ended 31 December 2024 and 2023, respectively. Our largest supplier accounted for 23.3% and 32.5% of our total costs of sales for the years ended 31 December 2024 and 2023, respectively.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of our subsidiary, had any interest in any of our top five suppliers during the Year.

Key Financial Ratio

The following table sets forth certain financial ratio as of the balance sheet dates indicated:

	As of 31 December 2024	As of 31 December 2023
Profitability ratios		
Gross profit margin ⁽¹⁾	26.9	53.2
Net profit margin ⁽²⁾	-16.1	6.6
Adjusted net profit margin under HKFRS measures ⁽³⁾	-12.5	11.4
Return on equity ⁽⁴⁾	-11.0	3.2
Return on total assets ⁽⁵⁾	-7.4	2.0
Liquidity ratios		
Current ratio ⁽⁶⁾	2.7 times	2.4 times
Quick ratio ⁽⁷⁾	2.7 times	2.4 times
Capital adequacy ratios		
Gearing ratio ⁽⁸⁾	28.0%	39.8%
Debt-to-equity ratio ⁽⁹⁾	N/A	N/A

Notes:

- (1) The calculation of gross profit margin is based on gross profit for the year divided by revenue and multiplied by 100%.
- (2) The calculation of net profit margin is based on profit for the year divided by revenue and multiplied by 100%.
- (3) Calculated based on the adjusted net profit under non-HKFRS measures and calculated by excluding the effect of listing expenses.
- (4) The calculation of return on equity is based on profit for the year divided by ending balance of total equity and multiplied by 100%.
- (5) The calculation of return on total assets is based on profit for the year divided by ending balance of total assets and multiplied by 100%.
- (6) Current ratio is calculated as current assets divided by current liabilities as at the relevant financial year end.
- (7) Quick ratio is calculated as current assets less inventories divided by current liabilities as at the relevant financial year end.
- (8) Gearing ratio is calculated as total debt divided by total equity and multiplied by 100% as at the relevant financial year end. Total debts refer to all interest-bearing bank loans, amounts due to related parties and lease liabilities of our Group as at the end of the respective year.

- (9) Debt to equity ratio is calculated as net debt (representing total debt minus cash and cash equivalent as at the relevant year end) divided by the total equity as at the end of the respective year and multiplied by 100%. As our cash and cash equivalent is higher than our total debts as at 31 December 2023 and 2024, the debt to equity ratio is not applicable to such periods.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Foreign exchange exposure

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in Renminbi.

During the year ended 31 December 2024, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk, as the expected foreign exchange risk is not significant. The Directors and senior management of the Company will continue to closely monitor the foreign exchange exposure and take measures when necessary to ensure that the foreign exchange risk is within the controllable range.

Capital structure

The shares of the Company were listed on Main Board of the Stock Exchange on the Listing Date. Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company have made arrangements to dispose of the 40,263,600 Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There were no excess application arrangements in relation to the Rights Issue. The Company entered into the Placing Agreement with the Placing Agent and appointed the Placing Agent to place the Unsubscribed Rights Shares to independent placees on a best efforts basis.

On 4 December 2023, 40,263,600 Unsubscribed Rights Shares (each a “**Placing Share**”), representing approximately 8.05% of the total number of Rights Shares available for subscription under the Rights Issue, were subject to the Compensatory Arrangement.

On 12 December 2023, the Company had received twenty four (24) valid acceptances for a total of 459,736,400 Rights Shares provisionally allotted under the Rights Issue, representing approximately 91.95% of the total number of Rights Shares offered under the Rights Issue.

Accordingly, the Rights Issue was under-subscribed by 40,263,600 Rights Shares, representing approximately 8.05% of the total number of the Rights Shares available for subscription under the Rights Issue.

All conditions with respect to the Rights Issue and the Placing set out in the Prospectus have been fulfilled and the Rights Issue and the Placing became unconditional at 4:00 p.m. on Wednesday, 13 December 2023. The gross proceeds raised from the Rights Issue (including the Placing) are approximately HK\$100 million before expenses.

For further details, please refer to the prospectus of the Company dated 20 November 2023 and announcements of the Company dated 6 and 15 December 2023.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
Revenue	5	244,646	191,062
Cost of sales		<u>(178,838)</u>	<u>(89,395)</u>
Gross profit		65,808	101,667
Other income and other gains or losses, net	6	177	(495)
Provision for impairment losses on financial assets		(16,857)	(15,280)
Selling and distribution expenses		(22,009)	(12,791)
Administrative expenses		(34,750)	(34,605)
Research and development expenses		(24,293)	(20,973)
Finance costs		(4,998)	(2,624)
Share of losses of a joint venture		<u>(924)</u>	<u>–</u>
(Loss)/profit before income tax		(37,846)	14,899
Income tax expense	7	<u>(1,444)</u>	<u>(2,341)</u>
(Loss)/profit for the year		<u>(39,290)</u>	<u>12,558</u>
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
– Exchange differences arising from translation		<u>4,928</u>	<u>(320)</u>
Total comprehensive income for the year		<u>(34,362)</u>	<u>12,238</u>
(Loss)/profit for the year attributable to:			
– Owners of the Company		(37,960)	12,558
– Non-controlling interests		<u>(1,330)</u>	<u>–</u>
		<u>(39,290)</u>	<u>12,558</u>

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total comprehensive income for the year attributable to:			
– Owners of the Company		(33,032)	12,238
– Non-controlling interests		<u>(1,330)</u>	<u>–</u>
		<u>(34,362)</u>	<u>12,238</u>
			(restated)
(Loss)/earnings per share attributable to owners of the Company during the year			
<i>(expressed in RMB per share)</i>			
– Basic and diluted	9	<u>(0.03)</u>	<u>0.01</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Intangible assets		9,476	13,541
Property, plant and equipment		28,026	1,693
Right-of-use assets		6,539	152
Goodwill		23,024	25,383
Investment in a joint venture		76	–
Deferred tax assets		1,868	1,868
Financial assets at fair value through profit or loss		9,700	12,445
		78,709	55,082
Current assets			
Inventories		8,527	3,817
Contract assets		1,586	1,452
Trade receivables	10	153,396	165,646
Prepayments, deposits and other receivables		146,523	179,726
Amount due from a related party		2,494	–
Pledged bank deposits		–	44,831
Restricted bank deposits		1,720	351
Cash and cash equivalents		138,994	186,479
		453,240	582,302
Total assets		531,949	637,384
Current liabilities			
Trade payables	11	27,896	17,030
Contract liabilities		8,644	6,072
Other payables and accruals		22,291	50,918
Amount due to a related party		6,301	–
Bank borrowings		87,500	156,180
Lease liabilities		1,300	169
Income tax payable		12,046	11,041
		165,978	241,410
Net current assets		287,262	340,892
Total assets less current liabilities		365,971	395,974

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current liabilities		
Contract liabilities	1,782	3,074
Lease liabilities	5,245	–
Deferred tax liabilities	160	244
	<u>7,187</u>	<u>3,318</u>
Total liabilities	<u>173,165</u>	<u>244,728</u>
NET ASSETS	<u>358,784</u>	<u>392,656</u>
EQUITY		
Share capital	10,349	10,349
Reserves	349,275	382,307
	<u>359,624</u>	<u>392,656</u>
Equity attributable to owners of the Company	359,624	392,656
Non-controlling interests	<u>(840)</u>	<u>–</u>
TOTAL EQUITY	<u>358,784</u>	<u>392,656</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

31 December 2024

1. GENERAL INFORMATION

Rego Interactive Co., Ltd (the “**Company**”) was incorporated in the Cayman Islands, as an exempted company with limited liability under the Cayman Companies Act on 8 August 2017. Its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. The Company is an investment holding company. The Company and its subsidiaries now comprising the Group (collectively referred to as the “**Group**”) were engaged in the following businesses in the People’s Republic of China (“**PRC**”).

- Corporate digitalisation solution services
- Industry digitalisation solution services

In the opinion of the directors of the Company, the immediate holding companies of the Company are Tanshin Investments Limited (“**Tanshin Investments**”), Vicen Investments Limited (“**Vicen Investments**”) and Sprus Investments Limited (“**Sprus Investments**”) which are incorporated in the British Virgin Islands. The ultimate shareholders of the Company are Mr. Tian Huan (“**Mr. Tian**”), Mr. Chen Ping (“**Mr. Chen**”) and Mr. Zhang Yongli (“**Mr. Zhang**”) who have entered into acting-in-concert agreement on 22 October 2021 and confirmed they have been acting in concert since 14 July 2017. Accordingly, Mr. Tian, Mr. Chen, Mr. Zhang, Tanshin Investments, Vicen Investments and Sprus Investments collectively referred to as the “Controlling Shareholders”.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of revised HKFRS Accounting Standards – effective 1 January 2024

The Hong Kong Institute of Certified Public Accountants has issued the new and a number of amended HKFRS Accounting Standards that are first effective for the current accounting year of the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these amended HKFRS Accounting Standards has a material impact on the Group’s results and financial position for the current year.

(b) New and revised HKFRS Accounting Standards that have been issued but are not yet effective

The following new/revised HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Annual improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
HKFRS 18	Presentation and Disclosures in Financial Statements ³
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company is in progress of assessing the potential impact of the above, the directors do not anticipate that the application of all new and amendments to HKFRS Accounting Standards will have material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss which has been measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency of the Company is Hong Kong dollar (“**HKD**”). The Group's primary subsidiaries are incorporated in the PRC and these subsidiaries consider RMB as their functional currency. As the major operations of the Group are within Mainland China, the Group determined to present its consolidated financial statements in RMB. All values are rounded to the nearest thousand except when otherwise indicated.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment has been identified as executive directors of the Company.

For the year ended 31 December 2023, the Group was principally engaged in the provision of marketing and promotion services and IT solutions services in the PRC. The executive directors of the Company used to review the operating results of marketing and promotion services and IT solutions services separately, based on which the Group assessed performance and allocated resources. Therefore, the Group had the following three reporting segments: (i) marketing and promotion services; (ii) IT solutions services; and (iii) others.

Since early 2024, the Group restructured its operating segments and enhanced its service offering by providing integrated products of marketing and promotion services and IT solutions services, in order to better empower digital transformation for customers through offering diverse “Online Merge Offline” (“OMO”) solution. The Group re-organised its operation to two main segments, including “Corporate digitalisation solutions services” (企業數字化服務) (previously known as “marketing and promotion services”) and “Industry digitalisation solutions services” (行業數字化服務) (previously known as “IT solutions services”) as the core, to achieve the target “Cross-industry Empowerment solutions services” (異業賦能服務) on Group’s cooperation across different industries services, both in the internal reports to CODM and in the consolidated financial statements of the Group.

“Corporate digitalisation solutions services” mainly comprise the Group’s traditional marketing and promotion services, advertisement placement services, advertisement distribution services, virtual goods sourcing and delivery services, tangible goods sourcing and delivery services and software development and maintenance services. “Industry digitalisation solutions services” mainly comprise the Group’s solutions on lottery related software systems and equipment. “Cross-industry Empowerment solutions services” mainly comprise the Group’s cooperation across different industries services. The comparative figures in the consolidated income statement and the notes have been restated to conform with the new presentation. The Board believes that the above changes in segment information better reflect the resource allocation and future business development of the Group.

The CODM assesses the performance of the operating segments based on the segment profit. The reconciliation of segment profit, which is the same as the gross profit of the Group, to profit before income tax is shown in the consolidated statement of profit or loss and other comprehensive income. There were no separate segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

	Corporate digitalisation solution services RMB’000	Industry digitalisation solution services RMB’000	Consolidated total RMB’000
For the year ended 31 December 2024			
Revenue	214,918	29,728	244,646
Cost of sales	(162,712)	(16,126)	(178,838)
Segment profit	52,206	13,602	65,808
For the year ended 31 December 2023 (restated)			
Revenue	158,927	32,135	191,062
Cost of sales	(72,198)	(17,197)	(89,395)
Segment profit	86,729	14,938	101,667

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.

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 attributed from customers that accounted for 10% or more of the Group's total revenue during the year are as follows:

	2024 RMB'000	2023 RMB'000
Customer "A" from corporate digitalisation solution services	–	37,473
Customer "B" from corporate digitalisation solution services	n/a*	31,232
Customer "C" from corporate digitalisation solution services	<u>81,697</u>	<u>n/a*</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. REVENUE

The amounts of each significant category of revenue recognised during the year are as follows:

	Corporate digitalisation solution services RMB'000	Industry digitalisation solution services RMB'000	Total RMB'000
For the year ended 31 December 2024			
Timing of revenue recognition:			
At a point in time	214,918	12,519	227,437
Transferred over time	<u>–</u>	<u>17,209</u>	<u>17,209</u>
Total revenue from contracts with customers	<u>214,918</u>	<u>29,728</u>	<u>244,646</u>
For the year ended 31 December 2023 (restated)			
Timing of revenue recognition:			
At a point in time	158,927	18,281	177,208
Transferred over time	<u>–</u>	<u>13,854</u>	<u>13,854</u>
Total revenue from contracts with customers	<u>158,927</u>	<u>32,135</u>	<u>191,062</u>

6. OTHER INCOME AND GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Other income		
Bank interest income	3,100	2,835
Government grants (<i>note</i>)	6,111	4,394
Sundry income	994	1,381
	<u>10,205</u>	<u>8,610</u>
Other gains/(losses), net		
Exchange gain	61	910
Gain on disposal of property, plant and equipment	15	50
Impairment loss on goodwill	(2,359)	–
Net valuation losses in fair value of financial assets at fair value through profit or loss	(2,745)	(10,065)
Write-off of advance to a supplier	(5,000)	–
	<u>(10,028)</u>	<u>(9,105)</u>
	<u>177</u>	<u>(495)</u>

Note: For the years ended 31 December 2024 and 2023, the Group enjoyed the tax incentives on input value-added tax according to the related regulations in the PRC. There are no unfulfilled conditions related to these government grants. For the years ended 31 December 2024 and 2023, government grants had been received from the PRC local government authorities as reimbursement of the Group's R&D activities.

7. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 RMB'000	2023 RMB'000
Current income tax – the PRC		
– tax for the year	2,051	3,015
– (over)/under provision in respect of prior years	(523)	211
	<u>1,528</u>	<u>3,226</u>
Deferred tax	(84)	(885)
Income tax expense	<u>1,444</u>	<u>2,341</u>

Cayman Islands income tax

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands.

PRC Enterprise income tax

Pursuant to Enterprise Income Tax Law of the PRC (“**EIT Law**”) and the Implementation Regulation on the EIT Law, the tax rate of the Group’s subsidiaries operating in the PRC during the Reporting Period was 25% of their taxable profits. The income tax provisions of the of the Group has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

For certain subsidiaries of the Group in the PRC including Hangzhou Rego Network Company Limited (“**Hangzhou Rego**”) and Xi’an Tiantai Innovation Technology Company Limited (“**Xi’an Tiantai**”) were accredited as “High and New Technology Enterprise” under relevant PRC laws and regulation, and subject to a preferential EIT rate of 15% from 2020 to 2026 and 2023 to 2025. For Yangtze River Delta Demonstration Zone (Shanghai) ASMKT Network Technology Co., Ltd. (“**ASMKT**”), the Group completed the acquisition on 31 May 2023, it was accredited as “High and New Technology Enterprise” under relevant PRC laws and regulation, and subject to a preferential EIT rate of 15% from 2021 to 9 October 2024. Since ASMKT was not accredited as “High and New Technology Enterprise” in 2024, therefore the ASMKT would not be entitled with a preferential EIT rate of 15% starting from 2024. It was subject to 25% of EIT rate starting from 1 January 2024.

According to relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective and updated from 2017 onwards, enterprises engaging in R&D activities are entitled to claim 175% of their R&D expenses so incurred as tax deductible expenses when determining their assessable profits for the year (“**Super Deduction**”). The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the reporting period.

8. DIVIDEND

No dividend was paid or proposed for ordinary shares of the Company during the years ended 31 December 2024 and 2023.

9. (LOSS)/EARNINGS PER SHARE FOR THE PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2024	2023
(Loss)/profit attributable to owners of the Company (<i>RMB'000</i>)	(37,960)	12,558
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (<i>in thousands</i>)	1,485,136	1,211,389
Basic and diluted (loss)/earnings per share (<i>expressed in RMB per share</i>)	(0.03)	0.01

The number of ordinary shares for the purpose of calculating basic (loss)/earnings per share has been determined based on the loss attributable to owners of the Company of approximately RMB37,960,000 (2023: a profit of RMB12,558,000) and the weighted average number of 1,485,136,000 (2023: 1,211,389,000, as adjusted to reflect the rights issue) ordinary shares as adjusted to reflect the effect of the treasury shares held by the Company.

There are no diluted (loss)/earnings per share because there were no dilutive potential shares in exercise during the years ended 31 December 2024 and 2023. Accordingly, the diluted earnings per share are the same as the basic (loss)/earnings per share for the years ended 31 December 2024 and 2023.

10. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables		
– Due from third parties	179,161	192,489
– Due from related companies (<i>note</i>)	90	524
	<u>179,251</u>	<u>193,013</u>
Less: Allowance for credit losses	(25,855)	(27,367)
	<u>153,396</u>	<u>165,646</u>

Note: The amounts due from related companies of which Mr. Chen and Mr. Fan, the executive directors of the Company is also the substantial shareholders of the related companies. The balances are unsecured, interest-free and repayable on credit terms similar to those offered to the major customers of the Group.

The credit period granted to customers is ranging from 5 to 60 days as at the end of reporting periods.

An ageing analysis of the Group's trade receivables at the end of the reporting year, net of impairment, based on invoice date and net of loss allowance is as follows:

	2024 RMB'000	2023 RMB'000
Less than 1 month	121,748	86,969
More than 1 month but less than 3 months	14,095	49,716
More than 3 months but less than 6 months	2,975	20,189
More than 6 months but less than 1 year	5,180	2,358
More than 1 year	9,398	6,414
	<u>153,396</u>	<u>165,646</u>

Movements in loss on trade receivables were as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	27,367	13,637
Provision for impairment losses	17,685	13,730
Write-off	(19,197)	–
	<u>25,855</u>	<u>27,367</u>

As at 31 December 2024, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of RMB198,448,000 (2023: RMB193,013,000), which are past due at the end of the reporting period. Out of past due balance, RMB19,197,000 (2023: Nil) has been past due for 2 years has been written off as the Group considered such balances could not be recovered based on repayment history. The Group does not hold any collateral over these balances.

11. TRADE PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	27,896	17,030

The credit period on purchase from suppliers is generally ranging from 10 to 60 days as at the end of the reporting periods.

An ageing analysis of the Group's trade payables as at the end of the year, based on invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 month	22,211	12,878
More than 1 month but less than 3 months	1,776	1,713
More than 3 months but less than 6 months	2,567	1,135
More than 6 months but less than 1 year	1,022	956
More than 1 year	320	348
	27,896	17,030

FUTURE AND OUTLOOK

For 2024, the worldwide economic climate continues to be challenging with persistent sluggish growth. In light of this, our strategy is to closely monitor the economic trends and shifts in the competitive market landscape. We aim to concentrate on and bolster our primary business areas, streamline the distribution of capital, and enhance the efficiency of our operations.

Simultaneously, we plan to heighten our awareness of potential risks and stick to cautious risk management strategies. This approach will help ensure our company's steady progress amidst the complexities of the ever-evolving economic scenario. Furthermore, we intend to proactively expand our strategic vision, keenly identify and capitalize on new opportunities within our "Corporate digitalisation solutions services" (企業數字化服務) and "Industry digitalisation solutions services" (行業數字化服務) as the core, to achieve the Cross-industry Empowerment solutions services" (異業賦能服務) in the future. By adopting adaptable business strategies, we aim to boost the energy and resilience of our company's growth and foster its continuous and stable development.

For the Corporate digitalisation solutions services, we aim to seize growth opportunities in exploring new stable and reliable customers and suppliers, use omnichannel marketing strategies to accurately reach various consumer groups, and actively explore new growth points. By employing a comprehensive marketing strategy, we can precisely target a diverse range of consumer demographics. Furthermore, we are committed to actively seeking out new areas of growth. As the digital transformation of enterprises deepens, we will continue to firmly layout in the field of corporate welfare business. Throughout our well developed supply chain on both virtual goods and physical goods, we aim to provide our clients with diverse, flexible, and efficient welfare solutions.

At the same time, we will focus to the lottery marketing tickets to seize the chances on the growth of lottery sales to expand our market presence among the Welfare Lottery and Sports Lottery in 2025.

For Industry digitalisation solutions services, we will continue to build on its market presence among the two legal lottery operators in PRC – Welfare Lottery and Sports Lottery. With our strong R&D capability, we will continue to develop the lottery software or hardware in relation to the lottery industry digitalisation solutions, and provide AI-based intelligent technology and industry solutions with the integration of software and hardware, with an aim to promote the application of lottery industry intelligent IoT, intelligent AI algorithm and human – computer interaction in the lottery industry and facilitate the digital transformation of the lottery shops. Also, we will excavate the opportunity with additional provincial in both Welfare Lottery and Sports Lottery for solutions on lottery related software systems and equipment, the Group will further align and benefit from synergies created through the cross segment encountered.

Lastly, the Group will continue to prioritise its strategic investments to maximise the synergies across different business. The Group will continue to dedicate its commitment and support to grow its business to further capitalize on diversification opportunities. Through the development of the Group, we will keep actively negotiated with the target company which provision of e-commerce solutions to its brand partners mainly derived from products sales to achieve the expansion via e-commerce platforms to develop an enhancement on the supply chain of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the Year, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities.

Compliance with Corporate Governance Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. The Company has adopted the CG Code as its own code of corporate governance.

In the opinion of the Directors, the Company has complied with all applicable code provisions of the CG Code during the Year.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the code provisions of the CG Code and maintaining a high standard of corporate governance of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Year.

No incident of non-compliance of the Model Code by the employees was noted by the Company throughout the Year.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three members, all of whom are INEDs, namely Mr. Shen Yunjia, Ms. Mo Lan and Mr. Zeng Liang. Mr. Shen Yunjia is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated annual financial statements of the Group for the Year, including the applicable accounting policies and accounting standards adopted by the Group, and considers that such statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and all other application legal requirements.

Scope of Work of the Auditor

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

Use of Proceeds

The Shares were listed on the Main Board of the Stock Exchange on 17 October 2022 by way of Global Offering, raising total net proceeds of HK\$100.7 million (the “**IPO proceeds**”) after deducting professional fees, underwriting commissions and other related listing expenses. The Over-allotment Option has not been exercised and the Over-allotment Option had lapsed on 6 November 2022.

As at 31 December 2024, IPO proceeds of HK\$98.3 million has been utilised. An analysis of the net proceeds from the Listing Date up to 31 December 2024 is set out below:

	Approximate % of total IPO proceeds %	Allocated use of actual IPO proceeds HK\$ million	Utilised IPO proceeds as of 31 December 2024 HK\$ million	IPO proceeds unused balance as of 31 December 2024 HK\$ million	Proposed timetable for utilising the remaining balance of IPO proceeds from the Global Offering
Developing and expanding our online marketing channels and resources for our marketing and promotion services	42.2	42.5	42.5	–	On or before 31 December 2024
Further developing and expanding our supplier base and types of virtual goods on offer	26.7	26.9	26.9	–	On or before 31 December 2024
Acquiring companies in marketing and related industries	14.9	15.0	15.0	–	On or before 31 December 2023
Developing and operating our SaaS enterprise marketing service platform as a means to expand our marketing channels	6.3	6.3	3.9	2.4	On or before 31 December 2025
General working capital	9.9	10.0	10.0	–	On or before 31 December 2024
Total	100	100.7	98.3	2.4	

As at 31 December 2024, the amount of unutilised net proceeds amounted to approximately HK\$2.4 million. The unutilised net proceeds were placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and the PRC.

Up to 31 December 2024, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned. The remaining unutilised net proceeds are expected to be utilised on or before 31 December 2025.

Rights Issue

The Company has conducted a rights issue in December 2023 to raise funds for (i) the proposed acquisition of a PRC company with an aim to expand our scope of services to cover delivery of physical goods for e-commerce operators; (ii) the development and expansion of our virtual and physical goods delivery business; and (iii) general working capital (the “**Rights Issue**”). The net proceeds from the Rights Issue after deducting the expenses were approximately HK\$98.9 million.

As at 31 December 2024, the proceeds from the Rights Issue of HK\$51.1 million has been utilised. An analysis of the proceeds from the Rights Issue up to 31 December 2024 is set out below:

	Approximate % of total proceeds from Rights Issue as stated in the prospectus dated 20 November 2023 %	Allocated use of actual proceeds from Rights Issue HK\$ million	Utilised proceeds from Rights Issue as of 31 December 2024 HK\$ million	Proceeds from Rights Issue unused balance as of 31 December 2024 HK\$ million	Expected timeline for unutilised proceeds from Rights Issue
Acquisition of a PRC company with principal business on delivery of physical goods for e-commerce platform operators	65	64.3	16.5	47.8	On or before 31 December 2025
Development and expansion of virtual and physical goods delivery business	25	24.7	24.7	–	On or before 31 December 2024
General working capital	10	9.9	9.9	–	On or before 31 December 2025
	<u>100</u>	<u>98.9</u>	<u>51.1</u>	<u>47.8</u>	

As at 31 December 2024, the amount of unutilised net proceeds from the Rights Issue amounted to approximately HK\$47.8 million. The unutilised net proceeds were placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and the PRC.

Up to 31 December 2024, the utilised net proceeds from Rights Issue were applied in accordance with the planned use as previously disclosed in the Prospectus dated 20 November 2023 and the remaining net proceeds from the Rights Issue are expected to be used as planned. The remaining unutilised net proceeds from the Rights Issue are expected to be utilised on or before 31 December 2025.

Subsequent Events

In the event that there is any significant financial impacts, the Company will publish further announcement as and when appropriate.

Save as disclosed above, as at the date of this announcement, there was no other significant event subsequent to 31 December 2024.

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2024.

Annual General Meeting

The AGM is scheduled to be held on Thursday, 26 June 2025. A notice convening the AGM and all other relevant documents will be published and dispatched to the Shareholders who have elected to receive printed copies in the manner required by the Listing Rules in due course.

Closure of the Register of Members

The register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Thursday, 26 June 2025. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 20 June 2025.

Publication of the 2024 Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.regopimc.com). The annual report for the Year containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders who have elected to receive printed copies and published on the respective websites of the Stock Exchange and the Company in April 2025.

Appreciation

The Board would like to express its sincere gratitude to the management and staff members of the Group for their dedication and hard work during the year under review. Also, the Board would like to extend thanks to all the business partners, customers and shareholders for their support. The Chairman of the Company believes that they will continue to render support to the Group for our continuous growth and success in the future.

DEFINITION

In this announcement, unless the context otherwise require, the following expressions shall have the following meaning:

“AGM”	annual general meeting of our Company
“Annual Results”	audited consolidated financial results of the Group for the Year
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Rego Interactive Co., Ltd, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Share of which are listed and traded on the Main Board of the Stock Exchange
“CPA”	cost per action, a performance-based pricing model where advertising is paid on the basis of each action of the mobile device user such as download, installation or registration. CPI is typically referred to as CPA
“Director(s)”	the director (s) of the Company
“Eligible Persons”	An employee (whether full time or part-time) or a director of a member of the Group as determined by the Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) at its absolute discretion to be offered to grant an option to subscribe for such number of Shares
“FY2024”	the financial year ended on 31 December of the year 2024. For example, “FY2023” refers to the year ended 31 December 2023
“Global Offering”	has the meaning ascribed to it under the Prospectus

“Group”, “we”, “us” or “our”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“INED(s)”	the independent non-executive Director(s)
“IT”	the information and technology
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	17 October 2022, the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, 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 GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Over-allotment Option”	has the meaning ascribed to it under the Prospectus
“Prospectus”	the prospectus of the Company dated 30 September 2022
“R&D”	the research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with par value of US\$0.001 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company, further details of which are described in the section headed “Statutory and general information – D. Share Option Scheme” in Appendix IV to the Prospectus

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US” or “United States”	the United States of America
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Year”	the year ended 31 December 2024
“%”	per cent

On behalf of the Board
Rego Interactive Co., Ltd
Chen Ping
Chairman and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Mr. Chen Ping, Mr. Tian Huan, Mr. Zhang Yongli, Mr. Fan Lianshun, Mr. Xia Yuanbo and Mr. Chen Wei; and the independent non-executive Directors are Ms. Mo Lan, Mr. Shen Yunjia and Mr. Zeng Liang.

* *For identification purpose only*