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360 LUDASHI HOLDINGS LIMITED

360 魯大師控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3601)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2022. The consolidated financial statements of the Group for the year ended 31 December 2022 have been audited by the Company's auditor in accordance with Hong Kong Standards on Auditing. These results have been reviewed by the Audit Committee.

SUMMARY OF RESULTS

	For the year ended		Year-on-year change (%)
	31 December 2022	2021	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	359,102	337,925	6.3
Gross profit	178,137	166,667	6.9
Profit before taxation	72,103	63,712	13.2
Profit for the year	65,560	57,664	13.7
Profit attributable to equity holders of the Company for the year	60,486	55,038	9.9
Earnings per share			
– Basic (in RMB cents)	22.49	20.46	9.9

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 RMB'000	2021 RMB'000
Revenue	3	359,102	337,925
Costs of sales and services		<u>(180,965)</u>	<u>(171,258)</u>
Gross profit		178,137	166,667
Other income	4	10,792	10,927
Impairment losses under expected credit loss model, net of reversal		(193)	(8,728)
Other gains and losses	5	(6,055)	(2,892)
Selling and distribution expenses		(24,470)	(25,099)
Administrative expenses		(41,355)	(36,506)
Research and development expenses		(44,315)	(39,814)
Share of results of associates		(310)	(671)
Finance costs	6	<u>(128)</u>	<u>(172)</u>
Profit before taxation		72,103	63,712
Taxation	7	<u>(6,543)</u>	<u>(6,048)</u>
Profit and total comprehensive income for the year		<u>65,560</u>	<u>57,664</u>
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		60,486	55,038
Non-controlling interests		<u>5,074</u>	<u>2,626</u>
		<u>65,560</u>	<u>57,664</u>
Earnings per share			
Basic (in RMB cents)	8	<u>22.49</u>	<u>20.46</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	<i>NOTES</i>	31/12/2022 <i>RMB'000</i>	31/12/2021 <i>RMB'000</i>
Non-current Assets			
Intangible assets		2,999	3,400
Property, plant and equipment		8,105	9,188
Interests in associates		1,032	8,940
Financial assets at fair value through profit or loss ("FVTPL")		4,600	1,600
Deferred tax assets	<i>9</i>	13,309	8,416
Prepayments	<i>11</i>	16,623	–
		46,668	31,544
Current Assets			
Trade receivables	<i>10</i>	38,204	49,869
Other receivables, deposits and prepayments	<i>11</i>	22,683	44,143
Inventories		166	480
Tax recoverable		582	225
Financial assets at FVTPL		20,000	80,353
Restricted bank deposits	<i>12</i>	–	1,100
Cash and cash equivalents	<i>12</i>	532,902	384,975
		614,537	561,145
Current Liabilities			
Trade and other payables	<i>13</i>	50,371	40,104
Contract liabilities		206	553
Lease liabilities		2,144	1,929
Income tax payable		6,473	3,893
		59,194	46,479
Net Current Assets		555,343	514,666
Total Assets less Current Liabilities		602,011	546,210

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*AT 31 DECEMBER 2022*

	31/12/2022	31/12/2021
	<i>RMB'000</i>	<i>RMB'000</i>
Capital and Reserves		
Share capital	2,425	2,425
Reserves	<u>596,143</u>	<u>537,522</u>
Equity attributable to owners of the Company	598,568	539,947
Non-controlling interests	<u>2,563</u>	<u>5,012</u>
	<u>601,131</u>	<u>544,959</u>
Non-current Liability		
Lease liabilities	<u>880</u>	<u>1,251</u>
	<u>602,011</u>	<u>546,210</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, STRUCTURED CONTRACTS AND BASIS OF PREPARATION

360 Ludashi Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 February 2018.

The Company is an investment holding company. The subsidiaries of the Company are mainly engaged in online advertising services, online game platforms and operation of exclusive licensed online game business (collectively, the “**online game business**”) and certified pre-owned and factory other electronic devices sales as well as smart accessories sales in the PRC.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendment to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of online advertising services, online game business, and certified pre-owned and factory other electronic devices sales as well as smart accessories sales in the PRC.

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

Segment information

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

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

The revenues attributable to the Group's business lines for the years ended 31 December 2022 and 2021 are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Online traffic monetization		
– Online advertising services	181,664	203,858
– Online game platforms	173,432	113,698
– Operation of exclusive licensed online game business	3,834	19,741
Electronic devices sales		
– Smart accessories sales	172	459
– Certified pre-owned and factory other electronic devices sales	–	169
Total	<u>359,102</u>	<u>337,925</u>

Geographical information

During the years ended 31 December 2022 and 2021, the Group principally operated in the PRC and its revenue was generated in the PRC and overseas based on the location of the customers' operations. All of its non-current assets were located in the PRC.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
PRC	327,713	293,163
Overseas	<u>31,389</u>	<u>44,762</u>
Total	<u>359,102</u>	<u>337,925</u>

Timing of revenue recognition

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
A point in time	177,516	201,933
Over time	<u>181,586</u>	<u>135,992</u>
Total	<u><u>359,102</u></u>	<u><u>337,925</u></u>

4. OTHER INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Government grants (<i>Note</i>)	2,395	5,214
Interest income		
– bank deposits	6,626	3,395
– financial assets at FVTPL	<u>1,771</u>	<u>2,318</u>
	<u><u>10,792</u></u>	<u><u>10,927</u></u>

Note: The government grants mainly represented the tax refund and high-tech subsidies received from local government authorities.

5. OTHER GAINS AND LOSSES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Impairment loss recognised in respect of prepayments	(8,771)	–
Impairment loss recognised in respect of interest in associates	(7,598)	–
Gain on deemed disposal of interest in an associate	–	711
Loss arising from sale of financial asset at FVTPL	–	(2,642)
Gain from changes in fair value of financial assets at FVTPL	–	353
Gain on disposal of property, plant and equipment	223	–
Gain on early termination of leases	–	238
Net foreign exchange gains (losses)	10,729	(1,874)
Others	<u>(638)</u>	<u>322</u>
	<u><u>(6,055)</u></u>	<u><u>(2,892)</u></u>

6. FINANCE COSTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on lease liabilities	<u>128</u>	<u>172</u>

7. TAXATION

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Tax expense comprises:		
Current tax		
– PRC Enterprise Income Tax (“EIT”)	9,723	4,463
– Hong Kong	1,713	2,466
Deferred tax (<i>Note 9</i>)	<u>(4,893)</u>	<u>(881)</u>
Total	<u>6,543</u>	<u>6,048</u>

The taxation for the years ended 31 December 2022 and 2021 can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit before taxation	<u>72,103</u>	<u>63,712</u>
Tax at applicable tax rate of 25%	18,026	15,928
Tax effect of share of results of associates	78	167
Tax effect of expenses not deductible for income tax purpose	2,540	3,535
Utilisation of tax losses previously not recognised	(106)	(1,126)
Tax effect of tax losses not recognised	1,990	167
Tax effect of additional deduction of certain research and development expenses	(9,758)	(7,821)
Income tax at concessionary rate	(4,207)	(3,063)
Effect of different tax rates of a subsidiary operating in other jurisdiction	<u>(2,020)</u>	<u>(1,739)</u>
Taxation for the year	<u>6,543</u>	<u>6,048</u>

8. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	<u>60,486</u>	<u>55,038</u>
Shares	Number of ordinary shares	
	31/12/2022	31/12/2021
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>269,000</u>	<u>269,000</u>

No diluted earnings per share for both 2022 and 2021 were presented as there were no potential ordinary shares in issue for both 2022 and 2021.

9. DEFERRED TAX ASSETS

The following are the major deferred taxation recognised and movement thereon during the current and prior years:

	Allowance for credit losses <i>RMB'000</i>	Provision for inventories <i>RMB'000</i>	Impairment on prepayment <i>RMB'000</i>	Impairment on interests in an associate <i>RMB'000</i>	Unrealised intragroup profit <i>RMB'000</i>	Tax losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2021	676	280	-	997	247	5,335	7,535
Credited (charged) to profit or loss	<u>1,577</u>	<u>(180)</u>	<u>-</u>	<u>-</u>	<u>(247)</u>	<u>(269)</u>	<u>881</u>
At 31 December 2021	2,253	100	-	997	-	5,066	8,416
Credited (charged) to profit or loss	<u>54</u>	<u>(87)</u>	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>3,610</u>	<u>4,893</u>
At 31 December 2022	<u>2,307</u>	<u>13</u>	<u>1,316</u>	<u>997</u>	<u>-</u>	<u>8,676</u>	<u>13,309</u>

As at 31 December 2022, the Group has unused tax losses of RMB57,895,000 (2021: RMB24,591,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB46,742,000 (2021: RMB20,975,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB11,153,000 (2021: RMB3,616,000) due to the unpredictability of future profit streams which will expire from 2023 to 2032 (2021: from 2022 to 2031) and the related tax policies.

10. TRADE RECEIVABLES

	31/12/2022	31/12/2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
– related parties	4,205	6,233
– third parties	40,489	50,350
Less: allowance for credit losses	<u>(6,490)</u>	<u>(6,714)</u>
	<u>38,204</u>	<u>49,869</u>

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

	31/12/2022	31/12/2021
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 90 days	35,734	35,532
91 – 180 days	1,722	10,929
Over 180 days	<u>748</u>	<u>3,408</u>
	<u>38,204</u>	<u>49,869</u>

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31/12/2022 <i>RMB'000</i>	31/12/2021 <i>RMB'000</i>
Included in non-current assets:		
Prepayment for acquisition of an associate	4,750	–
Prepayment for game development and license	11,873	–
	<u>16,623</u>	<u>–</u>
Included in current assets:		
Other receivables		
– a related party	–	9,500
– third parties	10,736	8,538
Less: allowance for credit losses	(5,392)	(4,975)
Deductible value-added tax	3,046	4,961
Prepayments and deferred expenses	11,425	23,847
Online payment platforms	2,732	1,528
Interest receivables	136	744
	<u>22,683</u>	<u>44,143</u>
Total	<u><u>39,306</u></u>	<u><u>44,143</u></u>

12. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

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

As at 31 December 2022, the Group's bank balances and short term deposits amounted to RMB532,902,000 (2021: RMB384,974,000) carried interest rates, per annum, ranging from 0.01% to 5.06% (2021: 0.01% to 1.82%) and the Group had no cash balance (2021: RMB1,000), such balances are held for meeting short-term cash commitments and are included in cash and cash equivalents.

As at 31 December 2022, the Group had no restricted bank deposits (2021: RMB1,100,000, carried an interest of 2.05% per annum).

13. TRADE AND OTHER PAYABLES

	31/12/2022	31/12/2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
– related parties	82	544
– third parties	16,332	13,372
Other payables	5,407	3,923
Payables arisen from online game platforms business	3,603	7,330
Payroll payable	19,281	13,588
Dividends payable to non-controlling interests	4,570	–
Other tax payable	1,096	1,347
	50,371	40,104

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

	31/12/2022	31/12/2021
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 90 days	15,861	13,137
91 – 180 days	32	311
Over 180 days	521	468
Total	16,414	13,916

BUSINESS REVIEW AND OUTLOOK

Business Review

In 2022, although China announced to relax the prevention and control measures for the COVID-19 epidemic (the “**Epidemic**”) at the end of 2022, most of the year was still affected by the Epidemic, and certain major cities in China successively adopted the lockdown measures to cope with the recurring Epidemic, which resulted in material adverse impact on the annual economic performance of China and brought continuous challenges to the Group. The advertising promotion budgets of clients from PCs of the Group have decreased significantly since 2020, and the number of advertisements and the amount of advertising expenses of these clients have yet to recover to the level before the Epidemic, thus resulting in the continued decrease in the income of our online advertising services from PCs. Nonetheless, through developing the online game platforms business, expanding the overseas business for mobile devices, and continuously enriching our domestic product matrix for mobile devices and exploring enterprise business segment, the Group obtained new growth points and achieved an increase in the net profit of the Group.

In 2022, the Group continued to focus on the development of its online traffic monetization business. Despite severe external challenges caused by the Epidemic, our online advertising services business continue to explore new business directions and profit growth points by updating and iterating our products and developing and releasing new products. As for our online game business including the online game platforms and operation of exclusive licensed online game business, we acquired new gamers and expanded our user base by continuously launching attractive new online games and marketing and promotion campaigns.

We develop a series of PC and mobile device utility software which are offered to users free of charge in exchange for online traffic that we monetize by online advertising and online game business. In particular, our utility software, “Ludashi Software”, a well-known brand and software in China and elsewhere in the world specializing in PC/smart phone hardware and system benchmarking and monitoring, has accumulated a large user base through providing free download and installation. Meanwhile, we are committed to the research and development and advertising of various utility software for mobile devices in the domestic market, from which we have accumulated a vast number of active users. In 2022, due to the decrease in the Group’s revenue from the PC version of Ludashi Software, we adjusted marketing strategy accordingly and reduced the promotion expenditure in this business segment, which resulted in a decrease in the number of our MAUs. As at 31 December 2022, the MAUs of all our PC and mobile device utility software amounted to approximately 104.5 million.

In 2022, the PC version of Ludashi Software launched a number of new services and functions, such as the Dashi Ranking (user hardware rating ranking), Desktop Hardware Monitoring Panel, Big File Sorting and Software Moving, and Tabx ExploreXs, etc. Among them, the Dashi Ranking meets the needs of users for the ultimate performance experience of computers; the Desktop Hardware Monitoring Panel enables users to monitor computer hardware status in real time and enhance the user experience; the Big File Sorting and Software Moving solves the problem of deep data cleaning in complex computer use scenarios; and the Tabx ExploreXs and other software further enhance the user experience in file management. In terms of adaptability, Ludashi Software cooperated with domestic computer hardware manufacturers to increase the identification and evaluation of their newly released computer hardware, and made the evaluation results more fair and reasonable through algorithm optimization. In addition, through the upgrade of AI mark version 3.0, the testing of the hardware capabilities of different products by Ludashi Software is more effective and reasonable. In the future, in light of the development of the industry and the performance of hardware, the Group will continue to iterate the functions of our products and provide more useful and value-adding functions and services to our users to explore more business development directions.

The Ludashi Pro software has been committed to keeping up with the needs of the market since its official release, and the Group has reached a strategic cooperation with a well-known hardware manufacturer to jointly create the Super Pro solution, providing users with a number of key software technologies, such as automatic activation, timed remote boot and out-of-band remote control. In addition, for the Ludashi Pro software, the Group has successfully entered into a cooperation agreement with well-known domestic large-scale internet company. As of 31 December 2022, the Group had completed at least 15 iterations of the version update of the Ludashi Pro software every year, and its functions have been expanded to more than 1,000 functional points in 10 major modules. Focusing on the pain points of the industry, and based on the powerful customized technology development and services, the Ludashi Pro software has been applied in more than 10 industry fields, such as e-sports hotels, computer rental industry, IT operation and maintenance, cross-border e-commerce and supply chain services, construction industry, etc.

In 2022, the online game platforms business of the Group mainly focused on expanding the purchase scale, achieving a year-on-year increase of approximately 18% in the number of newly-added users and the number of active players. At the same time, we introduced a number of more excellent online game products that are compatible with the PC, Android and iOS ports at the same time, ensuring that players can log in to the games in multiple platforms, thereby ensuring a better game experience for users, greatly improving the player retention rate and continuous payment ability, and finally greatly improving the ARPU of paying players.

As for the operation of exclusive licensed online game business, adhering to the distribution strategy of “making diversified attempts and realizing breakthroughs in niche market”, the Group has established a comprehensive distribution mechanism. From initial evaluation upon product connection, to launch of online traffic purchase test and to large scale promotion, we conduct data validation in a prompt manner to realize quick screening and have been exploring distribution strategies for high quality products. Currently, the Group focuses on role-playing game category for its domestic exclusive licensed online games and card game and business simulation game categories for overseas exclusive licensed online games. In 2022, the Group expanded our user base through launching more exclusive licensed online games, covering categories such as business operation simulation game, role-playing game, casual competitive game, card game, quadratic element game and others, and one of the games was recommended by Google Play homepage in more than 100 countries around the world. In 2023, the Group plans to launch 3 exclusive licensed online games.

In 2022, the Group continued to upgrade the evaluation engine and developed a mobile version of the ray tracing engine. At the same time, in terms of electric vehicles, we have established in-depth cooperation with well-known electric vehicle brands to build the most professional electric bicycle model library and intelligent evaluation model in China. At the end of December 2022, the Group held the 4th Annual Niujiuojian Awards Ceremony (《牛角尖年度頒獎盛典》), which garnered support from well-known brands.

For the year ended 31 December 2022, the Group recorded a total revenue of approximately RMB359.1 million, representing an increase of approximately 6.3% as compared to that of 2021, with the revenue from our online advertising services of approximately RMB181.7 million, representing a decrease of approximately 10.9% as compared to that of 2021; the revenue from our online game platforms of approximately RMB173.4 million, representing an increase of approximately 52.5% as compared to that of 2021; the revenue from the operation of exclusive licensed online game business of approximately RMB3.8 million, representing a decrease of approximately 80.6% as compared to that of 2021; and the revenue from our electronic devices sales business of approximately RMB0.2 million, representing a decrease of approximately 72.6% as compared to that of 2021. The net profit attributable to the parent company was approximately RMB60.5 million, representing an increase of approximately 9.9% as compared to that of 2021.

OUTLOOK

With China announced the relaxation of the prevention and control measures for the Epidemic at the end of 2022, the society gradually resumes its operation before the Epidemic, and China's economy will also be opened up, which will usher in a new scene. The world has been affected by the Epidemic for three years, and the economic growth of various countries has slowed down. It is expected that it will take some time for the global economy to return to the level before the Epidemic. Although the economy may not perform well in the short term, the Group will continue to face difficulties and seize new opportunities to strive to develop the online game platforms business, continuously enrich the domestic and overseas mobile product matrix and develop the business on the enterprise side, so as to realize the long-term, healthy and steady sustainable development of the Group.

The Group will continue to invest heavily in research and development and operation resources in the Ludashi Pro software to achieve substantial breakthrough in the commercialization process and profitability. The Ludashi Pro software is expected to become a new business growth point of the Group. At the same time, the Group will continue to actively optimize its software products and enrich its product matrix, further expand the number of users of tools, software and online games, and enhance user stickiness. At the same time, the Group will develop innovative products by leveraging on its professional knowledge of PC, mobile device hardware, system evaluation and monitoring, strengthen its liquidity, and improve its operating income and profitability by stabilizing its relationships with suppliers, customers and users, so as to continue to create greater value for shareholders and investors of the Company.

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

- develop various types of online games on an on-going basis, continue to explore distribution strategies for our premium products, and keep distributing and operating our exclusive licensed online games in China and overseas;
- constantly expand the scale of promotion investment in online game business, combine the online game traffic direction business with the online game distribution business, and keep improving our competitiveness, so as to increase our operational revenue scale;
- actively negotiate with other large-scale lifestyle service platforms and e-commerce platforms for the Ludashi Pro software and the cooperation is expected to be achieved;

- continue to invest resources in building the Ludashi Pro software and continue to explore more application scenarios;
- update and iterate the PC version of Ludashi Software on an on-going basis, and proactively improve our product features to address more demands from our users;
- further improve our product quality, maintain and expand our user base, stabilize the overseas markets by strengthening our research and development capability, and enhance our brand image as a reliable hardware expert; and
- continue to attract and retain talents and professionals, and form strategic alliances with business partners and pursue investments and acquisitions.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

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

Our revenue increased by approximately 6.3% from approximately RMB337.9 million for the year ended 31 December 2021 to approximately RMB359.1 million for the year ended 31 December 2022. Such increase was mainly due to two online games launched by our online game platforms went viral and achieved excellent market responses.

The following table sets forth our segment revenue by amount and as a percentage of our revenue for the years ended 31 December 2021 and 2022:

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>Proportion (%)</i>	<i>RMB'000</i>	<i>Proportion (%)</i>
Online traffic monetization				
Online advertising services	181,664	50.6	203,858	60.4
Online game platforms	173,432	48.3	113,698	33.6
Operation of exclusive licensed online game business	3,834	1.0	19,741	5.8
Electronic devices sales				
Smart accessories sales	172	0.1	459	0.1
Certified pre-owned and factory other electronic devices sales	—	—	169	0.1
Total	359,102	100.0	337,925	100.0

(i) *Online traffic monetization*

(a) *Online advertising services*

Our revenue from online advertising services decreased by approximately 10.9% from approximately RMB203.9 million for the year ended 31 December 2021 to approximately RMB181.7 million for the year ended 31 December 2022. Such decrease was mainly due to the impact of the Epidemic, the advertising promotion budgets of clients from PCs of the Group have been reduced continuously, leading to the reduction in the number of their advertisements and the amount of their advertising expenses, thus resulting in the decrease in the revenue from online advertising services from PCs of the Group.

(b) *Online game platforms*

Our revenue from online game platforms increased by approximately 52.5% from approximately RMB113.7 million for the year ended 31 December 2021 to approximately RMB173.4 million for the year ended 31 December 2022. Such increase was mainly because two online games launched by the Group in the second half of 2021 and in the second half of 2022, respectively have achieved excellent market responses, and both the number of paying users and ARPU increased.

(c) *Operation of exclusive licensed online game business*

Our revenue from operation of exclusive licensed online game business decreased by approximately 80.6% from approximately RMB19.7 million for the year ended 31 December 2021 to approximately RMB3.8 million for the year ended 31 December 2022. Such decrease was mainly because of the slow down in the overall development progress of online games in cooperation with online game development companies due to the impact of the Epidemic.

(ii) *Electronic devices sales*

Our revenue from the electronic devices sales decreased by approximately 72.6% from approximately RMB0.6 million for the year ended 31 December 2021 to approximately RMB0.2 million for the year ended 31 December 2022, which was mainly because the Group has carried out business realignment and suspended the operation of the electronic devices sales business in 2021.

Costs of sales and services

The following table sets forth a breakdown of our costs of sales and services by amount and as a percentage of costs of sales and services for the years ended 31 December 2021 and 2022:

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>Proportion (%)</i>	<i>RMB'000</i>	<i>Proportion (%)</i>
Online traffic monetization				
Advertising and promoting	171,634	94.8	154,367	90.1
Server leasing	9,213	5.1	16,407	9.6
Electronic devices sales				
Smart accessories sales	118	0.1	152	0.1
Certified pre-owned and factory other electronic devices sales	<u>—</u>	<u>—</u>	<u>332</u>	<u>0.2</u>
Total	<u>180,965</u>	<u>100.0</u>	<u>171,258</u>	<u>100.0</u>

(i) *Online traffic monetization*

Cost of online traffic monetization business increased by approximately 5.9% from approximately RMB170.8 million for the year ended 31 December 2021 to approximately RMB180.8 million for the year ended 31 December 2022, which was mainly due to a significant increase in promotion of the domestic mobile utility software and online games in order to continue to develop the online game platforms business.

(ii) *Electronic devices sales*

Cost of electronic devices sales decreased by approximately 75.6% from approximately RMB0.5 million for the year ended 31 December 2021 to approximately RMB0.1 million for the year ended 31 December 2022, which was mainly due to the significant decrease in the sales volume of electronic devices.

Gross profit and gross profit margin

The following table sets forth our gross profit and gross profit margin by business lines for the years ended 31 December 2021 and 2022:

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Online traffic monetization	178,083	49.6	166,523	49.4
Electronic devices sales	54	31.4	144	22.9
Total gross profit and gross profit margin	<u>178,137</u>	<u>49.6</u>	<u>166,667</u>	<u>49.3</u>

Our gross profit increased by approximately 6.9% from approximately RMB166.7 million for the year ended 31 December 2021 to approximately RMB178.1 million for the year ended 31 December 2022, and the gross profit margin was approximately 49.3% and 49.6% for the years ended 31 December 2021 and 31 December 2022, respectively. The increase in gross profit margin was mainly due to the high gross profit of the online game platforms business.

Other income

Other income decreased by approximately 1.2% from approximately RMB10.9 million for the year ended 31 December 2021 to approximately RMB10.8 million for the year ended 31 December 2022, which was due to the decrease in government grants.

Other gains and losses

Other gains and losses increased by more than 100% from losses of approximately RMB2.9 million for the year ended 31 December 2021 to losses of approximately RMB6.1 million for the year ended 31 December 2022, which was mainly due to the provision made for the impairment of the investment amount of the three associates we invested in previous years and the provision made for the prepayments paid but not expected to be recovered.

Administrative expenses

Administrative expenses increased by approximately 13.3% from approximately RMB36.5 million for the year ended 31 December 2021 to approximately RMB41.4 million for the year ended 31 December 2022, which was mainly due to the increase in consulting services fees and the increase in conference fees.

Research and development expenses

Research and development expenses increased by approximately 11.3% from approximately RMB39.8 million for the year ended 31 December 2021 to approximately RMB44.3 million for the year ended 31 December 2022, which was mainly due to the increase in the number and average salary of our research and development staff.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 2.5% from approximately RMB25.1 million for the year ended 31 December 2021 to approximately RMB24.5 million for the year ended 31 December 2022, which was mainly due to the overall decrease in marketing and promotion expenses.

Taxation

Taxation increased by approximately 8.2% from approximately RMB6.0 million for the year ended 31 December 2021 to approximately RMB6.5 million for the year ended 31 December 2022. Such increase was mainly due to the increase in profit before taxation in 2022 as compared with 2021.

Profit and total comprehensive income for the year

As a result of the foregoing, the profit and total comprehensive income for the year of the Group increased by approximately 13.7% from approximately RMB57.7 million for the year ended 31 December 2021 to approximately RMB65.6 million for the year ended 31 December 2022.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

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

As at 31 December 2021 and 31 December 2022, our bank balances and cash amounted to approximately RMB385.0 million and approximately RMB532.9 million, respectively.

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

As at 31 December 2022, we did not have any bank borrowings. Accordingly, no gearing ratio is presented.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years ended 31 December 2021 and 2022:

	For the year ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of property and equipment	2,991	3,361
Purchase of intangible assets	<u>-</u>	<u>1,932</u>
Total	<u>2,991</u>	<u>5,293</u>

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

SIGNIFICANT INVESTMENTS HELD

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

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

During the Reporting Period, the Group held 9 Structured Deposit Products offered by China Merchants Bank, details of which are as follows:

i. The Structured Deposit Product Agreement XV

Date: 18 February 2022

Product: Gold-linked Series Bullish Three-tier 88-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲三層區間88天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB30 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.59% to 3.20%

Term of the deposit: 88 days

Value date: 21 February 2022

Expiry date: 20 May 2022

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

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

ii. The Structured Deposit Product Agreement XVI

Date: 25 February 2022

Product: Gold-linked Series Progressive Bullish Two-tier 88-day Structured Deposit of China Merchants Bank* (招商銀行點金系列進取型看漲兩層區間88天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB30 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.65% to 3.06%

Term of the deposit: 88 days

Value date: 28 February 2022

Expiry date: 27 May 2022

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

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

iii. The Structured Deposit Product Agreement XVII

Date: 3 March 2022

Product: Gold-linked Series Bullish Three-tier 84-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲三層區間84天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB20 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.65% to 3.20%

Term of the deposit: 84 days

Value date: 7 March 2022

Expiry date: 30 May 2022

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

Termination and redemption: Liu Liuyou Technology has no right of early termination or redemption of the product

iv. The Structured Deposit Product Agreement XVIII

Date: 31 May 2022

Product: Gold-linked Series Bearish Two-tier 92-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間92天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB20 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.85% to 3.10%

Term of the deposit: 92 days

Value date: 1 June 2022

Expiry date: 1 September 2022

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

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

v. The Structured Deposit Product Agreement XX

Date: 13 June 2022

Product: Gold-linked Series Bearish Two-tier 92-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間92天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB30 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.85% to 3.05%

Term of the deposit: 92 days

Value date: 15 June 2022

Expiry date: 15 September 2022

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

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

vi. The Structured Deposit Product Agreement XXI

Date: 28 June 2022

Product: Gold-linked Series Bearish Three-tier 92-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌三層區間92天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB20 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.85% to 3.20%

Term of the deposit: 92 days

Value date: 29 June 2022

Expiry date: 29 September 2022

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

Termination and redemption: Liu Liuyou Technology has no right of early termination or redemption of the product

vii. The Structured Deposit Product Agreement XXII

Date: 29 September 2022

Product: Gold-linked Series Bearish Three-tier 91-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌三層區間91天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB20 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.85% to 3.00%

Term of the deposit: 91 days

Value date: 30 September 2022

Expiry date: 30 December 2022

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

Termination and redemption: Liu Liuyou Technology has no right of early termination or redemption of the product

viii. The Structured Deposit Product Agreement XXIII

Date: 29 September 2022

Product: Gold-linked Series Bearish Three-tier 91-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌三層區間91天結構性存款)

Parties: Anyixun Technology and China Merchants Bank

Amount of the deposit: RMB30 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.85% to 3.00%

Term of the deposit: 91 days

Value date: 30 September 2022

Expiry date: 30 December 2022

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

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

ix. The Structured Deposit Product Agreement XXIV

Date: 29 November 2022

Product: Gold-linked Series Bullish Three-tier 90-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲三層區間90天結構性存款)

Parties: Chengdu Qilu and China Merchants Bank

Amount of the deposit: RMB20 million

Type: Principal-guaranteed with floating interest rate

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

Expected maturity interest rate per annum: 1.85% to 3.00%

Term of the deposit: 90 days

Value date: 30 November 2022

Expiry date: 28 February 2023

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

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

As at 31 December 2022, the Structured Deposit Product Agreement XV, Structured Deposit Product Agreement XVI, Structured Deposit Product Agreement XVII, Structured Deposit Product Agreement XVIII, Structured Deposit Product Agreement XX, Structured Deposit Product Agreement XXI, Structured Deposit Product Agreement XXII and Structured Deposit Product Agreement XXIII have expired and the total amount of the actual interest received from these matured Structured Deposit Products was RMB216,986.30, RMB221,326.03, RMB138,082.19, RMB156,273.97, RMB230,630.14, RMB151,232.88, RMB139,616.44 and RMB209,424.66, respectively.

As at 31 December 2022, the outstanding Structured Deposit Products amounted to RMB20 million.

Save as disclosed in this announcement, there were no other significant investments held during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2022, the Group had no future plan for material investments or capital assets.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2022, we had 269 full-time employees, all of whom are located in the PRC. Such full-time employees included 3 senior management members, 114 employees who are responsible for sales and marketing, 124 employees who are responsible for research and development and 28 administrative employees.

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

PLEDGE OF ASSETS

As at 31 December 2022, the Group did not have any pledge of assets.

CONTINGENT LIABILITIES AND GUARANTEES

As at 31 December 2022, the Group did not have any significant contingent liabilities, guarantees or any litigations.

EVENTS AFTER THE REPORTING PERIOD

On 26 September 2022, the Group entered into an investment agreement (the “**Agreement**”) with a company principally engaged in game development and operation business in the PRC (the “**Target Company**”) and its shareholders to acquire 15% equity interests of the Target Company through capital injection into the Target Company on a fully diluted basis for a consideration of RMB9,500,000, and the transaction was completed in January 2023 upon the satisfaction of the conditions stipulated in the Agreement.

According to the Agreement, the Group has the right to appoint one of the three directors of the Target Company, and according to the articles of association of the Target Company, the board of directors of the Target Company is responsible to approve the decision to direct the operation and financing activities of the Target Company. The Directors consider that the Group has significant influence over the Target Company and it is therefore classified as an associate of the Group upon the completion of the transaction.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of final dividend for the year ended 31 December 2022 (2021: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting will be held on 31 May 2023. The register of members of the Company will be closed from 25 May 2023 to 31 May 2023, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the Annual General Meeting, during which no share transfers will be registered. To be eligible to attend the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 24 May 2023.

COMPLIANCE WITH THE CG CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders. During the Reporting Period, except for code provision C.2.1 of the CG Code, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules.

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

THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiries to all the Directors, all the Directors confirmed that they have strictly complied with the required standards as set out in the Model Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2022 and agreed to the accounting principle and practices adopted by the Group.

SCOPE OF WORK OF THE COMPANY'S AUDITOR ON THE RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.ludashi.com). The annual report for the year ended 31 December 2022 containing all information required by the Listing Rules will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on 31 May 2023;
“ARPU”	average revenue per user;
“Audit Committee”	the audit committee of the Board;
“Anyixun Technology”	Chengdu Anyixun Technology Company Limited* (成都安易迅科技有限公司), a limited liability company established in the PRC on 20 October 2015 and a wholly-owned subsidiary of the Company;
“Board” or “Board of Directors”	the board of Directors of the Company;
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
“Chengdu Qilu”	Chengdu Qilu Technology Company Limited* (成都奇魯科技有限公司), a limited liability company established in the PRC on 25 November 2014 and is deemed to be a wholly-owned subsidiary of the Company pursuant to the Contractual Arrangements;
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“China Merchants Bank”	China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600036) and the Main Board of the Stock Exchange (stock code: 3968);
“Company”	360 LUDASHI HOLDINGS LIMITED (360魯大師控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3601);

“Contractual Arrangements”	a series of contractual arrangements entered into among Anyixun Technology, Chengdu Qilu and the registered shareholders of Chengdu Qilu, i.e. Beijing Qihu Technology Company Limited* (北京奇虎科技有限公司), Mr. Tian Ye, Shanghai Songheng Network Technology Company Limited* (上海嵩恒網絡科技股份有限公司) and Chengdu Qilu Haochen Enterprise Management Consulting Company Limited* (成都奇魯昊宸企業管理諮詢有限公司);
“Director(s)”	director(s) of the Company;
“Group”, “we”, “us” or “our”	the Company, its subsidiaries and the PRC Operating Entities;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS(s)”	Hong Kong Financial Reporting Standards;
“HKICPA”	Hong Kong Institute of Certified Public Accountants;
“HKAS(s)”	Hong Kong Accounting Standards;
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Liu Liyou Technology”	Tianjin Liu Liyou Technology Company Limited* (天津六六遊科技有限公司), a limited liability company established in the PRC on 17 April 2017;
“Ludashi Software”	hardware and system benchmarking and monitoring software and App operated by the Group;
“MAU(s)”	monthly active user(s), a key performance indicator for software, mobile apps and online games. Monthly active users are calculated by counting the number of unique devices that activate the software, mobile apps or online games for at least once during a calendar month;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;

“PC(s)”	personal computers;
“PRC Operating Entities”	collectively, Chengdu Qilu, Liu Liuyou Technology, Chengdu Mijiayou Technology Company Limited* (成都米加遊科技有限公司) and Chengdu Xiaolu Chexun Information Technology Company Limited* (成都小魯車訊科技有限公司) (and the “ PRC Operating Entity ” means any one of them), the financial results of which have been consolidated and accounted for as the subsidiaries of the Company by virtue of the Contractual Arrangements;
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC;
“Reporting Period”	the year ended 31 December 2022;
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 31 March 2023

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

* *For identification purposes only*