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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 2023

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2023. The consolidated financial statements of the Group for the year ended 31 December 2023 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 31 December		Year-on-year change (%)
	2023 RMB'000	2022 RMB'000	
Revenue	790,512	359,102	120.1
Gross profit	164,962	178,137	(7.4)
Profit before taxation	53,332	72,103	(26.0)
Profit and total comprehensive income for the year	47,277	65,560	(27.9)
Profit attributable to equity holders of the Company for the year	42,642	60,486	(29.5)
Earnings per share			
– Basic and diluted (in RMB cents)	15.85	22.49	(29.5)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	NOTES	RMB'000	RMB'000
Revenue	3	790,512	359,102
Costs of sales and services		<u>(625,550)</u>	<u>(180,965)</u>
Gross profit		164,962	178,137
Other income	4	15,113	10,792
Other gains and losses	5	207	(6,055)
Selling and distribution expenses		(28,098)	(24,470)
Administrative expenses		(45,373)	(41,355)
Research and development expenses		(47,682)	(44,315)
Share of results of associates		(3,323)	(310)
Impairment losses under expected credit loss model, net of reversal		(2,347)	(193)
Finance costs	6	<u>(127)</u>	<u>(128)</u>
Profit before taxation		53,332	72,103
Taxation	7	<u>(6,055)</u>	<u>(6,543)</u>
Profit and total comprehensive income for the year		<u>47,277</u>	<u>65,560</u>
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		42,642	60,486
Non-controlling interests		<u>4,635</u>	<u>5,074</u>
		<u>47,277</u>	<u>65,560</u>
Earnings per share			
Basic and diluted (in RMB cents)	8	<u>15.85</u>	<u>22.49</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

		2023	2022
	NOTES	RMB'000	RMB'000
Non-current Assets			
Intangible assets		2,605	2,999
Property, plant and equipment		8,306	8,105
Goodwill		989	—
Interests in associates		13,004	1,032
Financial assets at fair value through profit or loss (“FVTPL”)		4,600	4,600
Deferred tax assets	9	14,973	13,309
Prepayments		14,873	16,623
		<u>59,350</u>	<u>46,668</u>
Current Assets			
Trade receivables	10	78,203	38,204
Other receivables, deposits and prepayments	11	40,701	22,683
Inventories		133	166
Tax recoverable		1,247	582
Financial assets at FVTPL		50,000	20,000
Term deposits with initial terms of over three months	12	30,000	—
Cash and cash equivalents	12	503,852	532,902
		<u>704,136</u>	<u>614,537</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER 2023

		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current Liabilities			
Trade and other payables	13	99,941	50,371
Contract liabilities		11,591	206
Lease liabilities		1,687	2,144
Income tax payable		3,895	6,473
		<u>117,114</u>	<u>59,194</u>
Net Current Assets		<u>587,022</u>	<u>555,343</u>
Total Assets less Current Liabilities		<u>646,372</u>	<u>602,011</u>
Capital and Reserves			
Share capital		2,425	2,425
Reserves		638,785	596,143
Equity attributable to owners of the Company		641,210	598,568
Non-controlling interests		2,272	2,563
		<u>643,482</u>	<u>601,131</u>
Non-current Liability			
Lease liabilities		2,890	880
		<u>646,372</u>	<u>602,011</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION, STRUCTURED CONTRACTS AND BASIS OF PREPARATION

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

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

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

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising From a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and 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 platforms, operation of exclusive licensed online game business and smart accessories sales in the PRC.

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

(i) Disaggregation of revenue from contracts with customers

Segment information

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

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

The revenues attributable to the Group's business lines for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Online traffic monetisation		
– Online advertising services	206,236	181,664
– Online game platforms	86,342	173,432
– Operation of exclusive licensed online game business	497,690	3,834
Electronic devices sales		
– Smart accessories sales	244	172
Total	<u>790,512</u>	<u>359,102</u>

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(i) Disaggregation of revenue from contracts with customers (Continued)

Geographical information

During the years ended 31 December 2023 and 2022, 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.

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	750,631	327,713
Overseas	39,881	31,389
Total	<u>790,512</u>	<u>359,102</u>

Timing of revenue recognition

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
A point in time	285,704	177,516
Over time	504,808	181,586
Total	<u>790,512</u>	<u>359,102</u>

4. OTHER INCOME

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Government grants (<i>Note</i>)	4,156	1,112
Additional tax deduction	941	1,283
Interest income		
– bank deposits	8,598	6,626
– financial assets at FVTPL	1,269	1,771
Others	149	–
	<u>15,113</u>	<u>10,792</u>

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

5. OTHER GAINS AND LOSSES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Impairment loss recognised in respect of prepayments	–	(8,771)
Impairment loss recognised in respect of interests in associates	–	(7,598)
Gain on disposal of property, plant and equipment	3	223
Gain on derecognition of interest in an associate	119	–
Net foreign exchange gains	472	10,729
Others	(387)	(638)
	<u>207</u>	<u>(6,055)</u>

6. FINANCE COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on lease liabilities	<u>127</u>	<u>128</u>

7. TAXATION

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax:		
– PRC Enterprise Income Tax	7,166	9,723
– Hong Kong	407	1,713
– Singapore	461	–
Over provision in prior years:		
– Hong Kong	(315)	–
Deferred tax (<i>Note 9</i>)	<u>(1,664)</u>	<u>(4,893)</u>
Total	<u>6,055</u>	<u>6,543</u>

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit before taxation	<u>53,332</u>	<u>72,103</u>
Tax at applicable tax rate of 25%	13,333	18,026
Tax effect of share of results of associates	831	78
Tax effect of expenses not deductible for income tax purpose	343	2,540
Utilisation of tax losses previously not recognised	(1,445)	(106)
Over provision in respect of prior years	(315)	–
Tax effect of tax losses not recognised	10,183	1,990
Tax effect of additional deduction of certain research and development expenses	(11,897)	(9,758)
Income tax at concessionary rate	(4,660)	(4,207)
Effect of different tax rates of subsidiaries operating in other jurisdiction	<u>(318)</u>	<u>(2,020)</u>
Taxation for the year	<u>6,055</u>	<u>6,543</u>

8. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	2023	2022
	RMB'000	RMB'000
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	42,642	60,486
Shares	Number of ordinary shares	
	2023	2022
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	269,000	269,000

There were no potential ordinary shares in issue for both 2023 and 2022.

9. DEFERRED TAX ASSETS

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

	Allowance for credit losses RMB'000	Provision for inventories RMB'000	Impairment on prepayment RMB'000	Impairment on interests in an associate RMB'000	Contract liabilities RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2022	2,253	100	–	997	–	5,066	8,416
Credited (charged) to profit or loss	54	(87)	1,316	–	–	3,610	4,893
At 31 December 2022	2,307	13	1,316	997	–	8,676	13,309
Credited (charged) to profit or loss	369	–	–	–	2,658	(1,363)	1,664
At 31 December 2023	2,676	13	1,316	997	2,658	7,313	14,973

9. DEFERRED TAX ASSETS (CONTINUED)

As at 31 December 2023, the Group has unused tax losses of RMB89,431,000 (2022: RMB57,895,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB40,156,000 (2022: RMB46,742,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB49,275,000 (2022: RMB11,153,000) due to the unpredictability of future profit streams which will expire from 2024 to 2033 (2022: from 2023 to 2032) and the related tax policies.

As at 31 December 2023, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB461,170,000 (2022: RMB417,574,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

10. TRADE RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables		
– related parties	11,687	4,205
– third parties	73,694	40,489
Less: allowance for credit losses	<u>(7,178)</u>	<u>(6,490)</u>
	<u>78,203</u>	<u>38,204</u>

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

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 – 90 days	69,020	35,734
91 – 180 days	7,091	1,722
Over 180 days	<u>2,092</u>	<u>748</u>
	<u>78,203</u>	<u>38,204</u>

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Included in non-current assets:		
Prepayment for acquisition of an associate	–	4,750
Prepayment for game development and license	<u>14,873</u>	<u>11,873</u>
	<u>14,873</u>	<u>16,623</u>
Included in current assets:		
Other receivables	14,400	10,736
Less: allowance for credit losses	(7,051)	(5,392)
Deductible value-added tax	4,669	3,046
Prepayments and deferred expenses	22,614	11,425
Online payment platforms	5,627	2,732
Interest receivables	<u>442</u>	<u>136</u>
	<u>40,701</u>	<u>22,683</u>
Total	<u><u>55,574</u></u>	<u><u>39,306</u></u>

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

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

As at 31 December 2023, the Group's bank balances and short term deposits amounted to RMB503,852,000 (2022: RMB532,902,000) carried interest rates, per annum, ranging from 0.01% to 1.85% (2022: 0.01% to 5.06%), such balances are held for meeting short-term cash commitments and are included in cash and cash equivalents.

As at 31 December 2023, the Group's term deposits with initial terms of over three months amounted to RMB30,000,000 (2022: Nil) carried interest rates, per annum, ranging from 1.95% to 2.10%.

13. TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables		
– related parties	16	82
– third parties	68,764	16,332
Other payables	7,106	5,407
Payables arisen from online game platforms business	2,090	3,603
Payroll payable	19,595	19,281
Dividends payable to non-controlling interests	–	4,570
Other tax payable	2,370	1,096
	<u>99,941</u>	<u>50,371</u>

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 – 90 days	55,858	15,861
91 – 180 days	12,267	32
Over 180 days	655	521
	<u>68,780</u>	<u>16,414</u>

BUSINESS REVIEW AND OUTLOOK

Business Review

In 2023, the overall economy of China was relatively weak due to the impact of the macroeconomic environment. Both suppliers and customers were facing uncertainty in their business operations, and the overall market confidence was insufficient. In particular, residents had low confidence and their consumption levels downgraded or even shrank, which meant that the effect of advertisements was limited. Furthermore, insufficient confidence also existed in enterprises with decline in estimated number and amount of advertisements. As most companies took a more conservative approach to their budgets in face of economic uncertainties, the number of advertisements from clients of PCs of the Group continued to decline and its PC-based traffic advertisement service business was also affected significantly.

Leveraging on China's efforts to promote digital economy and national digitalization in recent years, the Group has seized opportunities of business development more effectively and developed more utility software for different industries. Furthermore, through developing the online game business, expanding the overseas business for mobile devices, and continuously enriching our domestic product matrix for mobile devices, the Group recorded certain growth in revenue despite the decrease in net profit in 2023 due to the continuous decline of its online advertising services business for which the gross profit was relatively high. Even facing the ever-changing market conditions, the Group has will maintain to explore and strive for new growth points.

In 2023, the Group continued to focus on the development of its online traffic monetization business. Through upgrading and iteration of our products, as well as research and development and launch of new products, we continued to explore new business directions and profit growth points for our online advertising services business. As for our online game business, including the operation of 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 carrying out marketing and promotional campaigns.

We developed a series of PC and mobile device utility software which were offered to users free of charge in exchange for online traffic that we monetized 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/smartphone hardware and system benchmarking and monitoring, had accumulated a large user base through providing free download and installation. Meanwhile, we were 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 2023, although we continued to promote the traffic purchase for the PC version of Ludashi Software, due to the sluggish overall PC market in China, the promotion effect failed to meet our expectations and the number of our MAUs of our PC port decreased. Therefore, as at 31 December 2023, the MAUs of all our PC and mobile device utility software amounted to approximately 82.0 million.

In 2023, the PC version of Ludashi Software, adhering to the concept of “users first”, constantly innovated and optimized product functions, providing users with a variety of modes and advanced functions to cater for different needs and scenarios. For example, the PC version of Ludashi Software launched the premium version with black gold exclusive mode, especially designed for high-end users to provide more professional and personalized services. This version features more comprehensive system optimization services and more personalized settings so that users can enjoy a more smooth, safe and comfortable computer use experience. The PC version of Ludashi Software also launched desktop sorting, super uninstall and compression tools and other practical functions to help users solve problems such as messy computer desktop, software uninstall residue and file encryption and decryption, so as to improve the efficiency and security of computers. Among them, the desktop sorting function can automatically identify the types of files on the desktop, classify and archive them according to users’ preferences, and make the desktop clean and orderly; the super uninstall function can thoroughly erase software and related files on the computer to avoid occupying space and affecting performance; and the compression tools can support the compression and decompression of various file formats, and make file transfer faster to reduce the users’ waiting time.

In terms of benchmarking, Ludashi continued to deepen its cooperation with major manufacturers and brands, optimize AIMark testing engine and provide more reasonable and reliable reference for users when purchasing hardware. Ludashi products continued to optimize the performance and accuracy of its evaluation engine, making our basic evaluation rankings more reasonable and referential. AIMark products also keep pace with the trend of the times by upgrading the AI evaluation engine to more accurately assess local AI performance, and providing users with a more quantitative basis for choosing AI-related products and services.

In 2023, the Group’s online game platform operations focused on releasing boutique games as its key strategy and provided users with better online game services, while increasing the volume of purchases to expand its user base. In 2023, the Group achieved efficient user conversion efficiency and retention. The payment rate of new users increased greatly compared with last year, and the ARPU of new users increased by more than 15% compared with last year. With the implementation of the boutique games strategy, the monthly ARPU of our existing paying users also increased significantly from last year. The above figures reflected the continued growth of the online game business of the Group in 2023 and the improvement of our competitiveness in the industry.

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 the initial evaluation upon product connection, to the launch of online traffic purchase test and to large scale promotion, we conducted 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 the role-playing game category for its domestic exclusive licensed online games, and card game and business simulation game categories for its overseas exclusive licensed online games. Our current and upcoming online game categories cover business operation simulation game, role-playing game, casual competitive game, card game, etc. In 2023, the Group also continued to expand its user base through launching more new exclusive licensed online games. Currently, we have three well-performing exclusive licensed online games and expect to launch four new online games in 2024.

We have also made significant progress in the operation of exclusive licensed online game business in 2023. The Group has entered into a cooperation with Universal Studios to obtain its “Kung Fu Panda (功夫熊貓)” license, aiming to develop a online strategy game combining operation simulation and card combat with its animated character, and also owns the global distribution license for this online game for mobile devices and PCs. This online game is expected to be officially launched in 2024.

The Group has been consistently expanding its utility products matrix for mobile devices in overseas market. Upholding the concept of “user-centricity”, it continually optimized user experience. In 2023, we operated a total of 18 utility products for mobile devices in the overseas market, mainly focusing on North America and Southeast Asia. Among them, one tool product released in the second half of 2023 has soared to the top position in the App stores of multiple countries within just one month of its launch. In 2024, we will continue to explore the utility products track, committing to diversified development to form an ample product matrix, aiming to provide users with more practical and convenient services.

For the year ended 31 December 2023, the Group recorded a total revenue of approximately RMB790.5 million, representing an increase of over 100.0% as compared to that of 2022, of which, the revenue from our online advertising services amounting to approximately RMB206.2 million, representing an increase of approximately 13.5% as compared to that of 2022; the revenue from our online game platforms amounting to approximately RMB86.3 million, representing a decrease of approximately 50.2% as compared to that of 2022; the revenue from the operation of exclusive licensed online game business amounting to approximately RMB497.7 million, representing an increase of over 100.0% as compared to that of 2022; and the revenue from our electronic devices sales business amounting to approximately RMB0.2 million, representing an increase of approximately 41.9% as compared to that of 2022. The net profit attributable to the parent company was approximately RMB42.6 million, representing a decrease of approximately 29.5% as compared to that of 2022.

OUTLOOK

Looking ahead to 2024, there are certain uncertainties in the economic development of China. As technology innovation and development has been promoted actively all over the world, the Group endeavours to maintain its existing business while continuing to focus on developing new businesses, including but not limited to developing the online game platforms business, continuously enriching domestic and overseas product matrix for mobile devices, so as to expand our market share. In addition, the Group also focuses on the steady development of its existing businesses in order to achieve the long-term, healthy, sound and sustainable development of the Group.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

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

Our revenue increased by over 100.0% from approximately RMB359.1 million for the year ended 31 December 2022 to approximately RMB790.5 million for the year ended 31 December 2023. Such increase was mainly due to the Group's acquisition of 80% equity interests in Tianjin Qiyu Network Technology Co., Ltd.* (天津旗魚網絡科技有限公司) (“**Tianjin Qiyu**”) in early May 2023, and the Group's equity interests in Tianjin Qiyu increased from 20% to 100%. Tianjin Qiyu had three well-performing exclusive licensed online games, which resulted in an increase in our revenue as compared to 2022, and also resulted in an increase in our trade receivables as compared to 2022.

The following table sets forth our segment revenue by amount and as a percentage of our revenue for the years ended 31 December 2022 and 2023:

	For the year ended 31 December			
	2023		2022	
	<i>RMB'000</i>	<i>Proportion (%)</i>	<i>RMB'000</i>	<i>Proportion (%)</i>
Online traffic monetization				
Online advertising services	206,236	26.1	181,664	50.6
Online game platforms	86,342	10.9	173,432	48.3
Operation of exclusive licensed online game business	497,690	62.9	3,834	1.0
Electronic devices sales				
Smart accessories sales	244	0.1	172	0.1
Total	790,512	100.0	359,102	100.0

(i) *Online traffic monetization*

(a) *Online advertising services*

Our revenue from online advertising services increased by approximately 13.5% from approximately RMB181.7 million for the year ended 31 December 2022 to approximately RMB206.2 million for the year ended 31 December 2023, which was mainly due to an increase in revenue as a result of the business expansion of domestic and overseas mobile devices business.

(b) *Online game platforms*

Our revenue from online game platforms decreased by approximately 50.2% from approximately RMB173.4 million for the year ended 31 December 2022 to approximately RMB86.3 million for the year ended 31 December 2023. Such decrease was mainly due to several online games that had been in operation reaching a late stage of their game life-cycle.

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

Our revenue from operation of exclusive licensed online game business increased by over 100.0% from approximately RMB3.8 million for the year ended 31 December 2022 to approximately RMB497.7 million for the year ended 31 December 2023. Such increase was mainly due to the Group's acquisition of 80% equity interests in Tianjin Qiyu in early May 2023 and the Group's equity interests in Tianjin Qiyu increased from 20% to 100%. Tianjin Qiyu had three well-performing exclusive licensed online games, which resulted in an increase in our revenue as compared to 2022.

(ii) *Electronic devices sales*

Our revenue from electronic devices sales increased by approximately 41.9% from approximately RMB172,000 for the year ended 31 December 2022 to approximately RMB244,000 for the year ended 31 December 2023, which was mainly due to the income generated from the sales of electronic hardware products.

Costs of sales and services

The following table sets forth a breakdown of our costs of sales and services by amount and as a percentage of costs of sales and services for the years ended 31 December 2022 and 2023:

	For the year ended 31 December			
	2023		2022	
	<i>RMB'000</i>	<i>Proportion (%)</i>	<i>RMB'000</i>	<i>Proportion (%)</i>
Online traffic monetization				
Advertising and promoting	615,775	98.4	171,634	94.8
Server leasing	9,672	1.5	9,213	5.1
Electronic devices sales				
Smart accessories sales	103	0.1	118	0.1
Total	625,550	100.0	180,965	100.0

(i) Online traffic monetization

Cost of online traffic monetization business increased by over 100.0% from approximately RMB180.8 million for the year ended 31 December 2022 to approximately RMB625.4 million for the year ended 31 December 2023, which was mainly due to the increase in the cost of operation of exclusive licensed online game business, the game promotion costs and the marketing expense of domestic and overseas mobile devices business. It also resulted in an increase in trade payables compared to the year ended 31 December 2022.

(ii) Electronic devices sales

Cost of electronic devices sales decreased by approximately 12.7% from approximately RMB118,000 for the year ended 31 December 2022 to approximately RMB103,000 for the year ended 31 December 2023, which was mainly due to the cost of sales of electronic hardware products.

Gross profit and gross profit margin

The following table sets forth our gross profit and gross profit margin by business line for the years ended 31 December 2022 and 2023:

	For the year ended 31 December			
	2023		2022	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Online traffic monetization	164,821	20.9	178,083	49.6
Electronic devices sales	141	57.8	54	31.4
Total gross profit and gross profit margin	164,962	20.9	178,137	49.6

Our gross profit decreased by approximately 7.4% from approximately RMB178.1 million for the year ended 31 December 2022 to approximately RMB165.0 million for the year ended 31 December 2023, and the gross profit margin was approximately 49.6% and 20.9% for the years ended 31 December 2022 and 31 December 2023, respectively. The decrease in gross profit margin was mainly due to the increased investment in promotion of traffic purchase as a result of the game business expansion and domestic and overseas mobile devices business, as well as an increase in the proportion of revenue from exclusive licensed online game business, which had a lower gross profit margin, to overall revenue.

Other income

Other income increased by approximately 40.0% from approximately RMB10.8 million for the year ended 31 December 2022 to approximately RMB15.1 million for the year ended 31 December 2023, which was mainly due to an increase in interest income from bank deposits and governments grants.

Other gains and losses

Other gains and losses increased by over 100.0% from losses of approximately RMB6.1 million for the year ended 31 December 2022 to gains of approximately RMB0.2 million for the year ended 31 December 2023, which was mainly due to the fact that provisions were made for loss on investment in associates and prepayments in 2022, but no such provision was made in 2023.

Administrative expenses

Administrative expenses increased by approximately 9.7% from approximately RMB41.4 million for the year ended 31 December 2022 to approximately RMB45.4 million for the year ended 31 December 2023, which was mainly due to the increase in labor costs for management staff.

Research and development expenses

Research and development expenses increased by approximately 7.6% from approximately RMB44.3 million for the year ended 31 December 2022 to approximately RMB47.7 million for the year ended 31 December 2023, which was mainly due to an increase in labor costs as a result of an increase in the number of research and development personnel upon the acquisition of Tianjin Qiyu.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 14.8% from approximately RMB24.5 million for the year ended 31 December 2022 to approximately RMB28.1 million for the year ended 31 December 2023, which was mainly due to an increase in the marketing expenses occurred for market expansion.

Taxation

Taxation decreased by approximately 7.5% from approximately RMB6.5 million for the year ended 31 December 2022 to approximately RMB6.1 million for the year ended 31 December 2023. Such decrease was mainly due to a decrease in the Company's profit before tax.

Profit and total comprehensive income for the year

As a result of the foregoing, the profit and total comprehensive income for the year of the Group decreased by approximately 27.9% from approximately RMB65.6 million for the year ended 31 December 2022 to approximately RMB47.3 million for the year ended 31 December 2023.

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 2022 and 31 December 2023, our bank balances and cash amounted to approximately RMB532.9 million and approximately RMB533.9 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 2023, 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 2022 and 2023:

	For the year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of property and equipment	<u>701</u>	<u>2,991</u>
Total	<u>701</u>	<u>2,991</u>

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

SIGNIFICANT INVESTMENTS HELD

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

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

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

i. The Structured Deposit Product Agreement XXV

Date: 12 January 2023

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: 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: 90 days

Value date: 13 January 2023

Expiry date: 13 April 2023

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

ii. The Structured Deposit Product Agreement XXVI

Date: 19 January 2023

Product: Gold-linked Series Bullish Two-tier 90-day Structured Deposit of China Merchants Bank*
(招商銀行點金系列看漲兩層區間90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 2.86%

Term of the deposit: 90 days

Value date: 20 January 2023

Expiry date: 20 April 2023

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

iii. The Structured Deposit Product Agreement XXVII

Date: 23 March 2023

Product: Gold-linked Series Bullish Three-tier 96-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲三層區間96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: 96 days

Value date: 24 March 2023

Expiry date: 28 June 2023

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 XXVIII

Date: 9 May 2023

Product: Gold-linked Series Bullish Two-tier 92-day Structured Deposit of China Merchants Bank*
(招商銀行點金系列看漲兩層區間92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 2.86%

Term of the deposit: 92 days

Value date: 10 May 2023

Expiry date: 10 August 2023

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 XXIX

Date: 15 May 2023

Product: Gold-linked Series Bullish Three-tier 92-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲三層區間92天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB25 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: 92 days

Value date: 16 May 2023

Expiry date: 16 August 2023

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

vi. The Structured Deposit Product Agreement XXX

Date: 14 July 2023

Product: Gold-linked Series Bullish Two-tier 73-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲兩層區間73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 2.76%

Term of the deposit: 73 days

Value date: 17 July 2023

Expiry date: 28 September 2023

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 XXXI

Date: 24 August 2023

Product: Gold-linked Series Bearish Two-tier 31-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看漲兩層區間31天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB25 million

Type: Principal-guaranteed with floating interest rate

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

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

Term of the deposit: 31 days

Value date: 28 August 2023

Expiry date: 28 September 2023

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 XXXII

Date: 9 November 2023

Product: Gold-linked Series Bearish Two-tier 31-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間31天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB45 million

Type: Principal-guaranteed with floating interest rate

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

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

Term of the deposit: 31 days

Value date: 14 November 2023

Expiry date: 15 December 2023

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

ix. The Structured Deposit Product Agreement XXXIII

Date: 21 December 2023

Product: Gold-linked Series Bearish Two-tier 31-day Structured Deposit of China Merchants Bank* (招商銀行點金系列看跌兩層區間31天結構性存款)

Parties: Liu Liuyou Technology and China Merchants Bank

Amount of the deposit: RMB50 million

Type: Principal-guaranteed with floating interest rate

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

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

Term of the deposit: 31 days

Value date: 22 December 2023

Expiry date: 22 January 2024

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

As at 4 January 2024, in agreement with China Merchants Bank, the Group has early redeemed the entire principal amount of the Structured Deposit Product XXXIII on 4 January 2024 (the “**Redemption Date**”), amounting to RMB50 million, and the interest of the principal amount between the value date as agreed in the Structured Deposit Product Agreement XXXIII and the Redemption Date shall be calculated in accordance with the current deposit interest rate of China Merchants Bank. For details, please refer to the announcement of the Company dated 4 January 2024.

As at 31 December 2023, the Structured Deposit Product Agreement XXV, Structured Deposit Product Agreement XXVI, Structured Deposit Product Agreement XXVII, Structured Deposit Product Agreement XXVIII, Structured Deposit Product Agreement XXIX, Structured Deposit Product Agreement XXX, Structured Deposit Product Agreement XXXI and Structured Deposit Product Agreement XXXII have expired and the total amount of the actual interest received from these matured Structured Deposit Products were RMB138,082.19, RMB211,561.64, RMB147,287.67, RMB216,263.01, RMB176,438.36, RMB110,400.00, RMB52,232.88 and RMB94,019.18, respectively.

As at 31 December 2023, the outstanding Structured Deposit Products amounted to RMB50.0 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 2023, the Group had no future plan for material investments or capital assets.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2023, we had 251 full-time employees, all of whom are located in the PRC. Specifically, such full-time employees included 2 senior management members, 90 employees who are responsible for sales and marketing, 134 employees who are responsible for research and development and 25 administrative employees.

We offer employees competitive remuneration, performance-based bonuses and incentives. Our employees' performance is reviewed every year on the basis of, among other criteria, their ability to achieve stipulated performance targets. We place great emphasis on the training and development of our employees. We have developed a series of personalized training conferences based on our industry experience over the years. We invest in continuing education and training programs for our management personnel and other employees with a view to constantly upgrading their skills and knowledge. We also arrange internal and external professional training programs to develop our employees' skills and knowledge. These programs include 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 2023, the Group did not have any pledge of assets.

CONTINGENT LIABILITIES AND GUARANTEES

As at 31 December 2023, the Group did not have any significant contingent liabilities, guarantees or any litigations.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 31 December 2023 and up to the date of this announcement.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting will be held on 27 May 2024. The register of members of the Company will be closed from 22 May 2024 to 27 May 2024, 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 21 May 2024.

COMPLIANCE WITH THE CG CODE

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

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

THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2023 and agreed to the accounting principle and practices adopted by the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 2023 as set out in this results 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 results announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.ludashi.com). The annual report for the year ended 31 December 2023 containing all information required by the Listing Rules will be dispatched to Shareholders requiring printed copies and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on 27 May 2024;
“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 C1 to the Listing Rules;
“Chengdu Qilu”	Chengdu Qilu Technology Company Limited* (成都奇魯科技有限公司), a limited liability company established in the PRC on 25 November 2014 and is deemed to be a wholly-owned subsidiary of the Company pursuant to the Contractual Arrangements;
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“China Merchants Bank”	China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600036) and the Main Board of the Stock Exchange (stock code: 3968);
“Company”	360 LUDASHI HOLDINGS LIMITED (360魯大師控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3601);

“Contractual Arrangements”	a series of contractual arrangements entered into among Anyixun Technology, Chengdu Qilu and the registered shareholders of Chengdu Qilu, i.e. Beijing Qihu Technology Company Limited* (北京奇虎科技有限公司), Mr. Tian Ye, Shanghai Songheng Network Technology Company Limited* (上海嵩恒網絡科技股份有限公司) 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 Liuyou Technology”	Tianjin Liu Liuyou 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 C3 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 2023;
“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
360 Ludashi Holdings Limited
Mr. Tian Ye
Chairman and executive Director

Hong Kong, 28 March 2024

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 purpose only*