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Keep Inc.

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 3650)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Keep Inc. (the “**Company**”) hereby announces that based on its preliminary assessment of the unaudited consolidated management accounts of the Company, its subsidiaries and the consolidated affiliated entities (collectively, the “**Group**”) for the year ended December 31, 2024, (i) the Group expects to record a loss attributable to the owners of the Company of approximately RMB526.0 million to RMB556.0 million for the year ended December 31, 2024, compared with the profit attributable to the owners of the Company of RMB1,105.9 million for the year ended December 31, 2023; and (ii) the Group expects to record an adjusted net loss (Non-IFRS measure) of approximately RMB460.0 million to RMB490.0 million for the year ended December 31, 2024, as compared with the adjusted net loss (Non-IFRS measure) of RMB295.4 million for the year ended December 31, 2023.

The expected turnaround was mainly attributable to the fair value changes of convertible redeemable preferred shares of nil for the year ended December 31, 2024, compared with RMB1.4 billion for the year ended December 31 2023. The Group did not record any further fair value changes of the convertible redeemable preferred shares following the listing of the shares of the Company as preferred shares liabilities were redesignated and reclassified from liabilities to equity after automatically converting into ordinary shares upon the listing of the shares of the Company.

The expected increase in adjusted net loss for the year (Non-IFRS measure) was mainly attributable to: (i) the cautious spending and weaker-than-expected effectiveness of certain products marketing strategies due to the shifting consumption dynamics and weaker consumer sentiment; and (ii) the increase in certain expenses associated with new strategic businesses and technological initiatives to strengthen long-term competitiveness. These initiatives include: (a) development and promotion of AI-enabled applications; (b) wearable fitness devices innovation; (c) sporting-themed marketing and brand-building activities; and (d) expenditure associated with the optimization of the Group’s organizational structure.

While these initiatives are expected to result in near-term impact as they remain in the early stage of incubation, they position the Company to gradually deliver positive contributions starting from 2025 and will contribute to the long-term sustainable growth of the Company. To further enhance operating efficiency, the Company has implemented and will continue to optimize business performance and pursue operating expense reductions through technological enhancement (including the application of AI technology), and improve supply chain management and workforce productivity, with an aim to achieve break-even in 2025.

The Board wishes to emphasize that the adjusted net loss for the year (Non-IFRS measure) is not required by or presented in accordance with International Financial Reporting Standards Accounting Standards (“IFRSs”). The adjusted net loss for the year (Non-IFRS measure) is defined by the Group as loss for the year excluding share-based compensation expenses and fair value changes of convertible redeemable preferred shares that do not involve any cash outflow. The use of the non-IFRSs measures has limitations as an analytical tool. Shareholders and potential investors of the Company should not consider these measures in isolation or as a substitute for analysing the results of operations or financial condition of the Company as reported under IFRSs. In addition, the non-IFRSs measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

As of the date of this announcement, the Company is in the process of finalizing the annual results announcement for the year ended December 31, 2024. The information contained in this announcement is a preliminary assessment by the Board based on information currently available, including the unaudited consolidated management accounts of the Group for the year ended December 31, 2024, which have not been reviewed or audited by the auditors of the Company or reviewed by the audit committee of the Company and may be subject to further adjustments. The actual results of the Group for the year ended December 31, 2024 may differ from the information contained in this announcement. Such information shall not be taken as a measure or indication of the Group’s current or future operating or financial performance, nor shall they be taken as a representation by the Group of the corresponding figures as may be provided in due course in the Group’s audited or unaudited consolidated financial statements. As such, the above statistics are provided for the Company’s shareholders and potential investors’ reference only.

Shareholders and potential investors of the Company are advised to carefully read the annual results announcement of the Group for the year ended December 31, 2024, which is expected to be released in March 2025.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Keep Inc.

Wang Ning

Chairman, Executive Director and Chief Executive Officer

Hong Kong, February 21, 2025

As of the date of this announcement, the executive Directors are Mr. Wang Ning, Mr. Peng Wei and Mr. Liu Dong; and the independent non-executive Directors are Ms. Ge Xin, Mr. Shan Yigang and Mr. Wang Haining.