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## Be Friends Holding Limited

交個朋友控股有限公司

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1450)**

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Be Friends Holding Limited (the “**Company**”) hereby presents the audited consolidated final results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023 (the “**Corresponding Period of the Previous Year**”). The audited consolidated final results of the Group have been reviewed by the audit committee of the Company.

#### KEY HIGHLIGHTS

#### FINANCIAL SUMMARY

|                                  | For the year ended<br>31 December |                  | Year-on-<br>year change<br>increase/<br>(decrease) |
|----------------------------------|-----------------------------------|------------------|--|
|                                  | 2024                              | 2023             |  |
|                                  | RMB'000                           | RMB'000          | (%)  |
| <b>Revenue</b>                   |                                   |                  |  |
| New media services               | 1,138,144                         | 988,732          | 15.1   |
| Television broadcasting business | 112,360                           | 85,603           | 31.3   |
| <b>Total</b>                     | <b>1,250,504</b>                  | <b>1,074,335</b> | <b>16.4</b>  |
| <b>Gross profit</b>              |                                   |                  |  |
| New media services               | 574,271                           | 533,912          | 7.6  |
| Television broadcasting business | 32,473                            | 32,998           | (1.6)  |
| <b>Total</b>                     | <b>606,744</b>                    | <b>566,910</b>   | <b>7.0</b>   |
| <b>Profit for the year</b>       | <b>72,230</b>                     | <b>113,971</b>   | <b>(36.6)</b>                                      |
| <b>Adjusted net profit*</b>      | <b>121,978</b>                    | <b>180,359</b>   | <b>(32.4)</b>                                      |

\* For details of the adjusted net profit based on the non-HKFRS measures, please refer to the paragraph headed “Reconciliation of the Non-HKFRS Measures to the Nearest HKFRS Measures” in this announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

In 2024, we remained at the leading position in the all-media industry and achieved higher-quality growth in a highly challenging market environment with our unwavering strategic determination and efficient execution. This achievement was attributable to the Group's strategic layout in 2019. Relying on the profound technology and experience accumulated in the field of all-media industry, we have accurately seized the wave of rapid development of China's new media industry and expanded the Group's existing technologies and resources into the new media field and achieved better strategic execution through initiatives such as technological innovation, organisational optimisation and strategic cooperation. Today, this layout has been fully implemented, driving us to achieve fruitful results in various dimensions, including financial performance, business innovation, social responsibility and internal construction.

During the reporting period, the Group's revenue amounted to approximately RMB1.25 billion, representing an increase of approximately 16.4% as compared to approximately RMB1.07 billion for the Corresponding Period of the Previous Year. However, affected by factors such as the market environment and the increase in expenses as a result of the short-term expansion, net profit amounted to approximately RMB0.07 billion, representing a decrease of 36.6% year-on-year. Adjusted net profit\* amounted to approximately RMB0.12 billion, representing a decrease of 32.4% year-on-year. Despite the decline in net profit, our continued deepening and innovation in the new media services segment, as well as our investment in areas such as technological development, digitalisation and compliance construction, have laid a solid foundation for long-term development. In the future, we will further optimise our cost structure and enhance our operational efficiency to address the market challenges and drive a steady rebound in profitability.

#### **New Media Services Segment**

In 2024, the new media services segment continued to consolidate its leading position in the industry. Through deepening innovation in live-streaming scenarios, deepening industrial cooperation and strengthening the application of technology, we achieved a Gross Merchandise Volume (GMV) of approximately RMB15.08 billion, an increase of 19.58% compared with the Corresponding Period of the Previous Year, and continued to firmly rank among the leaders in the live-streaming e-commerce industry. However, in the face of multiple challenges such as intensified market competition and rising costs, net profit performance came under pressure despite significant expansion in business scale. This has prompted us to focus more on refined operations and profitability optimisation in the future in order to achieve sustainable and high-quality development.

\* For details of the adjusted net profit based on the non-HKFRS measures, please refer to the paragraph headed "Reconciliation of the Non-HKFRS Measures to the Nearest HKFRS Measures" in this announcement.

In terms of operation model, we have successfully created a standardised and replicable ‘Matrix Live Channel’ benchmark case. Through the combination of standardised processes and personalised operations, we have helped our partner brands to achieve long-term and effective operations in live-streaming rooms, significantly increasing user stickiness and repurchase rates. At the same time, we focused on the pain points of the regional economy and launched “New Model of Integration of Industrial Zones and Live Streaming”, which tailor-made digital transformation solutions for traditional industrial zones, and jointly advanced the healthy and prosperous development of the e-commerce industry in the industrial zones.

Besides, we pioneered the introduction of the “Core National Strategic Assets” live-streaming scenario, expanding the boundary of live-streaming e-commerce to the field of high-end science and technology, and through the “Live-streaming E-commerce + Science Popularization” mode, we launched a series of public welfare live-streaming activities in conjunction with the local government and scientific research institutes. For example, the “New Quality Productivity” theme livestream in co-operation with Hangzhou High-Tech Industrial Development Zone systematically displays domestic cutting-edge scientific and technological achievements, which not only strengthens consumers’ trust in national science and technology brands, but also injects the social value of knowledge dissemination into the livestream.

As an enterprise that has always been committed to a technology-driven approach, we have made significant breakthroughs in technology empowerment. The intelligent middle platform ‘Friend Cloud’ system has been comprehensively iterated and upgraded, realising the whole process of digital management from merchant stationing to after-sales service. Through the in-depth application of AI technology, we have not only comprehensively upgraded the level of intelligence of our live-streaming e-commerce business, but also reduced operational risks. The application of AI technology in all aspects of operations has significantly improved the efficiency of the entire process of live-streaming, laying the foundation for future profitability enhancement.

Our outstanding performance has won us wide recognition from our partners and the industry as well as various awards including “2024 Douyin E-commerce Annual Influential Institution”, “2024 Tmall Golden Cosmetics Award” and “2024 China Consumption Annual Commercial Value Service Institution”. These honours are not only a recognition of our past efforts, but also an encouragement for future development.

### **Television Broadcasting Business Segment**

In the face of intensified market competition driven by industry transformation and technological advancements, in 2024, the Group implemented an accurate resource allocation strategy in the television broadcasting business segment, focusing on the upgrading of core technologies and the development of high-end solutions. For example, we initiated an innovative R&D program for satellite portable station systems and carried out function iteration and optimization of portable transmission equipment to precisely match the needs of high-end industrial customers. Through the centralized release of resources, the revenue of the television broadcasting business achieved a small increase during the Reporting Period, but its loss was further expanded due to the increase in R&D investment and traditional integration business costs.

## **Compliance and Sustainable Development**

While our business is expanding at a rapid pace, we have always put compliance and protection of consumer rights at the highest priority, and have built an industry-leading quality control system. Through the synergy of the “Five-in-One” compliance framework, which includes “Business, Anchor, Legal, Customer Service and Supervision”, we have comprehensively enhanced the compliance control capabilities for new media services and ensured supervision throughout the entire process. For high-risk categories, we have set up special auditing standards to ensure that compliance indicators cover all dimensions of merchandise.

In 2024, we also made significant progress in social responsibility and internal construction. We established a trade union and a women's federation to build harmonious labour relations and enhance employees' sense of belonging and well-being. At the same time, we set up a Party branch to further strengthen the leading role of Party building and promote the standardised development of the Company in the live streaming industry.

## **FUTURE OUTLOOK**

Looking ahead, we clearly recognize that the all-media industry has entered a new stage of development, and the profitability threshold of the industry will gradually increase, while the exit of small and medium-sized industry players will bring about an increase in industry concentration. This is both a challenge and an opportunity for us. We will continue to firmly build a healthy and sustainable new retail ecosystem so that every user can enjoy a more convenient and pleasant shopping experience.

Despite the bilateral growth in business scale and revenue, our net profit performance came under pressure due to factors such as intensified market competition and rising costs. In this regard, we will focus more on refined operations and cost optimisation in the future, and ensure steady improvement in profitability through technological innovation and efficiency enhancement. Firstly, we will continue to increase our investment in content creation and operation, and refine our investment flow strategy to ensure that the benefits of our capital investment are maximised, helping our brands to achieve sound long-term development. Secondly, we will strengthen category management, dig deep into the potential of each category, and carry out all-round, in-depth strategic co-operation with brands, so as to continue to provide consumers with better quality and more cost-effective merchandise. Through technological empowerment, on the one hand, we will further strengthen our data integration and in-depth analysis capabilities by leveraging AI technology, to provide accurate basis for decision-making of the Company, and contribute to realize a new breakthrough in refined and efficient operation management. On the other hand, through the AI-empowered compliance management system, we will provide consumers with a safer and more carefree shopping environment and further enhance brand trust. In addition, we will actively explore opportunities in overseas markets and deploy localized operations and intelligent supply chain management of cross-border e-commerce platforms to further expand the space for our growth in the international market.

## FINANCIAL REVIEW

### Revenue

Based on the financial information, the Group's revenue increased by approximately 16.4% to approximately RMB1.25 billion (2023: approximately RMB1.07 billion) during the Reporting Period. The increase in revenue during the Reporting Period was mainly attributable to our continuous in-depth development of our business in both new media services and television broadcasting business segments. The table below sets out the revenue of each of the Group's business segments for the years ended 31 December 2024 and 2023 respectively:

|                                  | For the year ended 31 December |                           |                |                           |
|----------------------------------|--------------------------------|---------------------------|----------------|---------------------------|
|                                  | 2024                           |                           | 2023           |                           |
|                                  | <i>RMB'000</i>                 | <i>% of total revenue</i> | <i>RMB'000</i> | <i>% of total revenue</i> |
| <b>Segment revenue</b>           |                                |                           |                |                           |
| New media services               | <b>1,138,144</b>               | <b>91.0</b>               | 988,732        | 92.0                      |
| Television broadcasting business | <b>112,360</b>                 | <b>9.0</b>                | 85,603         | 8.0                       |
| <b>Total</b>                     | <b>1,250,504</b>               | <b>100.0</b>              | 1,074,335      | 100.0                     |

#### *New Media Services Segment*

Revenue generated from the new media services segment represented approximately 91.0% and 92.0% of the total revenue of the Group for the Reporting Period and the Corresponding Period of the Previous Year, respectively. Such revenue increased from approximately RMB0.99 billion for the Corresponding Period of the Previous Year to approximately RMB1.14 billion for the Reporting Period. The increase was mainly due to our in-depth exploration of the live-streaming scenarios and the deepening of cooperation along the industrial belt during the Reporting Period, leading to an increase in revenue for the new media services segment.

#### *Television Broadcasting Business Segment*

Revenue generated from the television broadcasting segment represented approximately 9.0% and 8.0% of the total revenue of the Group for the Reporting Period and the Corresponding Period of the Previous Year, respectively. Such revenue increased from approximately RMB85.6 million for the Corresponding Period of the Previous Year to approximately RMB112.4 million for the Reporting Period. The increase was mainly due to the television broadcasting business gradually expanded its business scope and customer base during the Reporting Period, resulting in more orders.

## Cost of sales

The Group's cost of sales increased by approximately 26.9% from approximately RMB507.4 million for the Corresponding Period of the Previous Year to approximately RMB643.8 million for the Reporting Period. The table below sets out the cost of sales of each of the Group's business segments for the years ended 31 December 2024 and 2023 respectively:

|                                     | For the year ended 31 December |                            |                |                            |
|-------------------------------------|--------------------------------|----------------------------|----------------|----------------------------|
|                                     | 2024                           |                            | 2023           |                            |
|                                     | <i>RMB'000</i>                 | <i>% of<br/>total cost</i> | <i>RMB'000</i> | <i>% of<br/>total cost</i> |
| <b>Segment cost of sales</b>        |                                |                            |                |                            |
| New media services                  | <b>563,873</b>                 | <b>87.6</b>                | 454,820        | 89.6                       |
| Television broadcasting<br>business | <b>79,887</b>                  | <b>12.4</b>                | 52,605         | 10.4                       |
| <b>Total</b>                        | <b>643,760</b>                 | <b>100.0</b>               | 507,425        | 100.0                      |

### *New Media Services Segment*

The cost of sales of new media services segment increased by approximately 24.0% from approximately RMB454.8 million for the Corresponding Period of the Previous Year to approximately RMB563.9 million for the Reporting Period. The increase was mainly due to the increase in revenue of the Group's new media services segment, resulting in the increase in the corresponding cost of sales accordingly.

### *Television Broadcasting Business Segment*

The cost of sales of the television broadcasting business segment increased by approximately 51.9% from approximately RMB52.6 million for the Corresponding Period of the Previous Year to approximately RMB79.9 million for the Reporting Period. The increase was mainly due to the integrated transmission projects undertaken by the television broadcasting business during the Reporting Period being primarily sourced from overseas, resulting in higher procurement costs and a simultaneous increase in costs.

## Gross profit and gross profit margin

The Group's gross profit was approximately RMB606.7 million and approximately RMB566.9 million for the Reporting Period and the Corresponding Period of the Previous Year respectively, representing an increase of approximately 7.0%. The Group's gross profit margin was approximately 48.5% and approximately 52.8% for the Reporting Period and the Corresponding Period of the Previous Year respectively. The following table sets out the gross profit and gross profit margin of each of the Group's business segments for the years ended 31 December 2024 and 2023 respectively:

|   | For the year ended 31 December |  |                |  |
|---|--------------------------------|--|----------------|--|
|   | 2024                           |  | 2023           |  |
|   | <i>RMB'000</i>                 | <i>Gross profit<br/>margin<br/>(%)</i> | <i>RMB'000</i> | <i>Gross profit<br/>margin<br/>(%)</i> |
| <b>Segment gross profit and<br/>gross profit margin</b> |                                |  |                |  |
| New media services                                      | 574,271                        | 50.5                                   | 533,912        | 54.0                                   |
| Television broadcasting<br>business                     | 32,473                         | 28.9                                   | 32,998         | 38.5                                   |
| <b>Total</b>  | <b>606,744</b>                 | <b>48.5</b>                            | <b>566,910</b> | <b>52.8</b>                            |

### *New Media Services Segment*

The gross profit margin of the new media services segment decreased from approximately 54.0% for the Corresponding Period of the Previous Year to approximately 50.5% for the Reporting Period. The Group believed that the change was within the reasonable range of normal business operations.

### *Television Broadcasting Business Segment*

The gross profit margin of the television broadcasting business segment decreased from approximately 38.5% for the Corresponding Period of the Previous Year to approximately 28.9% for the Reporting Period. It was mainly due to the increase in overseas procurement costs and domestic maintenance service fees for the television broadcasting business during the Reporting Period, which resulted in a relative decrease in gross profit margin.



**Other gains, net**

Other gains, net was approximately RMB18.4 million and approximately RMB8.9 million for the Reporting Period and the Corresponding Period of the Previous Year respectively. Such increase was mainly due to the increase in government grants during the Reporting Period.

**Administrative expenses**

Administrative expenses were approximately RMB192.5 million and approximately RMB173.6 million for the Reporting Period and the Corresponding Period of the Previous Year respectively, representing an increase of approximately 10.9%. The increase in administrative expenses was mainly due to the increase in staff salaries as a result of the rise in salary expenses for the recruitment and reserve plan of administration and management talents by the Group during the Reporting Period.

**Selling expenses**

Selling expenses were approximately RMB319.3 million and approximately RMB261.7 million for the Reporting Period and the Corresponding Period of the Previous Year respectively, representing an increase of approximately 22.0%. The increase in selling expenses was mainly due to the increase in staff salaries as a result of the rise in salary expenses for the recruitment and reserve plan of marketing talents by the Group during the Reporting Period.

**Finance costs, net**

Finance costs, net were approximately RMB8.2 million and approximately RMB13.3 million for the Reporting Period and the Corresponding Period of the Previous Year, respectively, representing a decrease of approximately 38.3%. The decrease in finance costs, net was due to the Group flexibly arranged idle capital based on its capital needs and risk tolerance during the Reporting Period, to ensure the safety and capital liquidity while obtaining a certain amount of interest income.

**Income tax expense**

Income tax expense for the Reporting Period was approximately RMB29.3 million while income tax expense for the Corresponding Period of the Previous Year was approximately RMB25.5 million. The increase in income tax expense was mainly due to the decrease in deferred income tax assets during the Reporting Period.



## **Profit for the year**

As a result of the foregoing factors, the profit attributable to owners of the Company is approximately RMB81.7 million for the Reporting Period as compared to approximately RMB119.5 million for the Corresponding Period of the Previous Year.

## **Reconciliation of the Non-HKFRS Measures to the Nearest HKFRS Measures**

To supplement the consolidated financial statements, which are presented in accordance with HKFRSs, the Company also uses adjusted net profit as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. The Company believes adjusted net profit facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which the management considers non-indicative of operating performance of the Group, such as certain non-cash items, one-off items or items which are not operating in nature.

The Company believes adjusted net profit provides useful information in understanding and evaluating its consolidated results of operations to assist management. However, the adjusted net profit may not be comparable to similarly titled measures of other companies. The use of adjusted net profit has limitations as an analytical tool, and anyone should not consider it in isolation from, or as a substitute for an analysis of, its results of operations or financial condition as reported under HKFRSs. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

The following table sets forth the reconciliations of non-HKFRS financial measures of the Group for the years ended 31 December 2024 and 2023 respectively, to the nearest measures prepared in accordance with HKFRS:

|   | <b>2024</b><br><i><b>RMB'000</b></i> | 2023<br><i>RMB'000</i> |
|---|--------------------------------------|------------------------|
| <b>Profit for the year</b>                                  | <b>72,230</b>                        | 113,971                |
| <b>Adjusted for:</b>  |                                      |                        |
| Share based payment expenses                                | <b>47,925</b>                        | 83,713                 |
| Change in fair value of contingent consideration receivable | <b>1,823</b>                         | (17,325)               |
| Adjusted net profit   | <b>121,978</b>                       | 180,359                |

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

Net cash outflow used in the Group's operating activities amounted to approximately RMB27.6 million for the Reporting Period and net cash inflow from the Group's operating activities amounted to approximately RMB183.0 million for the Corresponding Period of the Previous Year. The cash outflow from operating activities during the Reporting Period was mainly due to the increase in prepayments for goods and services by the Group.

Net cash outflow used in the Group's investing activities amounted to approximately RMB58.4 million for the Reporting Period and net cash outflow used in the Group's investing activities amounted to approximately RMB74.5 million for the Corresponding Period of the Previous Year. The decrease in cash flow used in investing activities was mainly due to the Group's acquisition of a subsidiary in cash during the Corresponding Period of the Previous Year.

Net cash inflow from the Group's financing activities amounted to approximately RMB52.5 million for the Reporting Period and net cash outflow used in the Group's financing activities amounted to approximately RMB10.3 million for the Corresponding Period of the Previous Year. The net cash inflow of financing activities during the Reporting Period was mainly due to an increase in bank borrowings aimed at enhancing the Group's capital utilisation efficiency.

The total bank and other borrowings of the Group increased from approximately RMB133.9 million as at 31 December 2023 to approximately RMB212.1 million as at 31 December 2024. The increase was mainly attributable to an increase in bank borrowings aimed at enhancing the Group's capital utilisation efficiency during the Reporting Period.

As at 31 December 2024, the Group had current assets of approximately RMB704.2 million (as at 31 December 2023: approximately RMB527.3 million) and current liabilities of approximately RMB470.9 million (as at 31 December 2023: approximately RMB408.2 million). The current ratio (which is calculated by dividing current assets by current liabilities) slightly increased to approximately 1.50 as at 31 December 2024 from approximately 1.29 as at 31 December 2023.

The overall strategy for capital management of the Group remains unchanged from the prior years. The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital and reserves. The Group has adopted a prudent financial management and treasury policy. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its capital requirements from time to time, while maximising the return to Shareholders through the optimisation of the debt and equity balance.

Bank balances and cash of the Group as at 31 December 2024 were mainly denominated in Renminbi (“**RMB**”) and Hong Kong Dollar (“**HKD**”).

## **FOREIGN EXCHANGE EXPOSURE**

The Group is mainly exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States Dollars (“**USD**”), Japanese Yen (“**JPY**”) and HKD. Foreign exchange risk arose from future commercial transactions, recognised assets and liabilities which are denominated in non-RMB.

The management of the Group has formulated policies to require the Group's companies to manage their foreign exchange risk against their functional currency. The Group's companies are required to control the exposure of the foreign currency during the business operation. The foreign currency exposure is mainly due to the purchase of the equipment from other countries. Save for certain bank balances, accounts payables and loans are denominated in USD, JPY and HKD, the impact of foreign exchange exposure on the Group was minimal and there was no significant adverse effect on normal operations. During the Reporting Period, the Group did not commit to any financial instruments to hedge its exposure to foreign exchange risk. However, the management of the Group monitors foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arise.

## **INTEREST RATE RISK**

Other than bank balances with variable interest rates, the Group has no other significant interest-bearing assets. The management of the Group does not anticipate significant impact on interest-bearing assets resulting from the changes in interest rates since the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises from bank and other loans. Bank and other loans with variable rates expose the Group to cash flow interest rate risk which is partially offset by bank balances held at variable rates. The Group has not hedged its cash flow interest rate risks.

## **CHARGE OVER ASSETS OF THE GROUP**

As at 31 December 2024, bank borrowing of RMB12,000,000 (2023: RMB12,500,000) are secured by the buildings with carrying amount of RMB20,363,000 (2023: RMB22,847,000) and bank borrowing of RMB42,833,000 (2023: Nil) are secured by the pledged bank deposits of RMB42,451,000 (2023: Nil).

## **GEARING POSITION**

The gearing ratio, which represented net debt (total debts less long-term bank deposits, pledged bank deposits and bank balances and cash) divided by total equity multiplied by 100%, was approximately 17.0% and 0.1% as at 31 December 2024 and 2023, respectively. Such increase was mainly attributable to an increase in bank borrowings aimed at enhancing the Group's capital utilisation efficiency during the Reporting Period.

## **CONTINGENCIES**

As at 31 December 2024, the Directors were not aware of any significant events that would have resulted in material contingent liabilities.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

## **DISTRIBUTABLE RESERVES**

As at 31 December 2024, based on the financial information, the Company's reserves available for distribution to equity holders, comprising the share premium and accumulated loss, amounted to approximately RMB17.2 million (as at 31 December 2023: approximately RMB31.2 million).

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the Reporting Period, revenue generated from the Group's five largest customers accounted for approximately 11.0% (2023: 17.9%) of the Group's total revenue and the revenue from the largest customer included therein accounted for approximately 5.3% (2023: 8.3%) of the Group's total revenue.

For the Reporting Period, supplies provided by the Group's five largest suppliers accounted for approximately 36.5% (2023: 44.0%) of the Group's total cost of sales and supplies provided by the largest supplier included therein accounted for approximately 9.1% (2023: 14.1%) of the Group's total cost of sales.

None of the Directors or any of their close associates or any shareholders of the Company (which, to the knowledge of the Directors, own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers and/or five largest suppliers for the Reporting Period.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had a total of 1,475 employees (as at 31 December 2023: 1,260 employees).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and their remuneration structure comprising basic wage, allowances, benefits, and others, and grants employees share awards as appropriate based on the assessment of individual performance. The Company has made contributions to, among others, social insurance, medical insurance, housing provident fund and mandatory provident fund on behalf of its employees in accordance with the relevant laws and regulations requirements of the PRC and Hong Kong.

Further details of the remuneration policies for the Directors will be set out in the 2024 annual report of the Company.

## **SHARE AWARD PLANS AND SHARE OPTION SCHEME**

In order to recognise and reward the contribution of certain eligible participants to the growth and development of the Group and comply with the requirements of the Chapter 17 of the Listing Rules which has become effective on 1 January 2023, the Company adopted 2022 share award plan (the “**2022 Share Award Plan**”) on 8 December 2022.

Pursuant to 2022 Share Award Plan, the Board has resolved on 10 April 2024 to award an aggregate of 15,169,920 awarded shares (the “**First-half 2024 Awarded Shares**”) at nil consideration to several selected participants. In addition, the Board has resolved on 10 October 2024 to award an aggregate of 3,913,610 awarded shares (the “**Second-half 2024 Awarded Shares**”) at nil consideration to several selected participants. Subject to the satisfaction of the vesting criteria and conditions of the 2022 Share Award Plan, the First-half 2024 Awarded Shares and Second-half 2024 Awarded Shares shall be transferred from Tricor Trust (Hong Kong) Limited to the selected participants upon expiry of the respective vesting period.

Save as disclosed above, no other awarded shares were granted by the Company during the Reporting Period under the 2022 Share Award Plan.

Further details of the 2022 Share Award Plan will be set out in the 2024 annual report of the Company.

## **SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL**

During the Reporting Period, the Group had no significant investments or material acquisitions and disposals of its subsidiaries, associates and joint ventures.

## **EVENTS AFTER THE REPORTING PERIOD**

The Company does not have any significant subsequent events after the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period, pursuant to the general mandate granted to the Directors on 6 June 2024, the Company repurchased a total of 6,188,000 of ordinary shares of the Company on the Stock Exchange at a total consideration of approximately HK\$7,952,000 (approximately RMB7,364,000) (including transaction costs), in which 3,638,000 shares were cancelled on 19 August 2024 and the remaining 2,550,000 shares are held as treasury shares of the Company.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 31 December 2024*

|   |              | <b>2024</b>             | 2023             |
|---|--------------|-------------------------|------------------|
|   | <i>Notes</i> | <b><i>RMB'000</i></b>   | <i>RMB'000</i>   |
| <b>Revenue</b>  | 4            | <b>1,250,504</b>        | 1,074,335        |
| <b>Cost of sales</b>  | 5            | <b>(643,760)</b>        | (507,425)        |
| <b>Gross profit</b>   |              | <b>606,744</b>          | 566,910          |
| Other gains, net  | 4            | <b>18,378</b>           | 8,875            |
| Selling expenses  | 5            | <b>(319,259)</b>        | (261,678)        |
| Administrative expenses   | 5            | <b>(192,531)</b>        | (173,646)        |
| Reversal of loss allowance (Loss allowance)<br>on trade receivables |              | <b>2,832</b>            | (6,833)          |
| Reversal of loss allowance on other receivables                     |              | <b>–</b>                | 1,800            |
| Change in fair value of contingent<br>consideration receivable      |              | <b>(1,823)</b>          | 17,325           |
| Provision for inventories   |              | <b>(7,440)</b>          | (6,972)          |
| <b>Operating profit</b>   |              | <b>106,901</b>          | 145,781          |
| Finance costs, net  | 6            | <b>(8,232)</b>          | (13,336)         |
| Share of results of an associate                                    |              | <b>2,847</b>            | 7,074            |
| <b>Profit before income tax</b>                                     |              | <b>101,516</b>          | 139,519          |
| Income tax expense  | 7            | <b>(29,286)</b>         | (25,548)         |
| <b>Profit for the year</b>  |              | <b>72,230</b>           | 113,971          |
| <b>Profit (Loss) attributable to:</b>                               |              |                         |                  |
| Owners of the Company   |              | <b>81,708</b>           | 119,462          |
| Non-controlling interests   |              | <b>(9,478)</b>          | (5,491)          |
|   |              | <b>72,230</b>           | 113,971          |
|   |              | <b><i>RMB cents</i></b> | <i>RMB cents</i> |
| <b>Basic earnings per share</b>                                     | 8            | <b>6.07</b>             | 9.05             |
| <b>Diluted earnings per share</b>                                   | 8            | <b>5.93</b>             | 8.65             |



# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

|  | <b>2024</b>           | 2023           |
|--|-----------------------|----------------|
|  | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| <b>Profit for the year</b>   | <b><u>72,230</u></b>  | <u>113,971</u> |
| <b>Other comprehensive (loss) income</b>                                 |                       |                |
| <i>Item that may be reclassified subsequently to profit or loss:</i>     |                       |                |
| Currency translation differences   | <b>(875)</b>          | 1,043          |
| <i>Item that may not be reclassified subsequently to profit or loss:</i> |                       |                |
| Currency translation differences   | <b><u>84</u></b>      | <u>—</u>       |
| Total other comprehensive (loss) income for the year                     | <b><u>(791)</u></b>   | <u>1,043</u>   |
| <b>Total comprehensive income for the year</b>                           | <b><u>71,439</u></b>  | <u>115,014</u> |
| <b>Total comprehensive income (loss) attributable to:</b>                |                       |                |
| Owners of the Company  | <b>80,917</b>         | 120,505        |
| Non-controlling interests  | <b><u>(9,478)</u></b> | <u>(5,491)</u> |
|  | <b><u>71,439</u></b>  | <u>115,014</u> |

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

|   |              | <b>2024</b>           | <b>2023</b>           |
|---|--------------|-----------------------|-----------------------|
|   | <i>Notes</i> | <i><b>RMB'000</b></i> | <i><b>RMB'000</b></i> |
| <b>Assets</b>                                       |              |                       |                       |
| <b>Non-current assets</b>                           |              |                       |                       |
| Property, plant and equipment                       |              | <b>31,836</b>         | 35,055                |
| Goodwill  | 9            | <b>80,112</b>         | 80,112                |
| Intangible assets                                   | 10           | <b>14,837</b>         | 12,110                |
| Right-of-use assets                                 |              | <b>27,506</b>         | 29,310                |
| Trade and other receivables                         | 11           | <b>11,007</b>         | 10,260                |
| Interest in an associate                            |              | <b>37,479</b>         | 38,682                |
| Deferred income tax assets                          |              | <b>6,906</b>          | 11,776                |
| Long-term bank deposits                             |              | <b>10,000</b>         | 10,000                |
|   |              | <hr/>                 | <hr/>                 |
| Total non-current assets                            |              | <b>219,683</b>        | 227,305               |
|   |              | <hr/>                 | <hr/>                 |
| <b>Current assets</b>                               |              |                       |                       |
| Inventories   |              | <b>54,220</b>         | 66,794                |
| Other current assets                                |              | <b>197,380</b>        | 38,901                |
| Trade and other receivables                         | 11           | <b>294,466</b>        | 271,567               |
| Pledged bank deposits                               |              | <b>44,859</b>         | 484                   |
| Bank balances and cash                              |              | <b>113,316</b>        | 149,536               |
|   |              | <hr/>                 | <hr/>                 |
| Total current assets                                |              | <b>704,241</b>        | 527,282               |
|   |              | <hr/>                 | <hr/>                 |
| <b>Total assets</b>                                 |              | <b>923,924</b>        | 754,587               |
|   |              | <hr/> <hr/>           | <hr/> <hr/>           |
| <b>Equity and liabilities</b>                       |              |                       |                       |
| <b>Equity attributable to owners of the Company</b> |              |                       |                       |
| Share capital                                       | 12           | <b>11,330</b>         | 11,363                |
| Treasury shares                                     | 12           | <b>(24)</b>           | —                     |
| Share premium                                       |              | <b>322,966</b>        | 330,273               |
| Other reserves                                      |              | <b>91,248</b>         | 44,081                |
| Accumulated losses                                  |              | <b>(6,529)</b>        | (88,204)              |
|   |              | <hr/>                 | <hr/>                 |
|   |              | <b>418,991</b>        | 297,513               |
|   |              | <hr/>                 | <hr/>                 |
| <b>Non-controlling interests</b>                    |              | <b>(5,281)</b>        | 4,197                 |
|   |              | <hr/>                 | <hr/>                 |
| <b>Total equity</b>                                 |              | <b>413,710</b>        | 301,710               |
|   |              | <hr/> <hr/>           | <hr/> <hr/>           |

|                                     |              | <b>2024</b>           | 2023           |
|-------------------------------------|--------------|-----------------------|----------------|
|                                     | <i>Notes</i> | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| <b>Liabilities</b>                  |              |                       |                |
| <b>Non-current liabilities</b>      |              |                       |                |
| Bank and other borrowings           | 13           | <b>20,535</b>         | 35,644         |
| Deferred income tax liabilities     |              | <b>2,753</b>          | 2,753          |
| Lease liabilities                   |              | <b>16,024</b>         | 6,295          |
|                                     |              | <hr/>                 | <hr/>          |
| Total non-current liabilities       |              | <b>39,312</b>         | 44,692         |
|                                     |              | <hr/>                 | <hr/>          |
| <b>Current liabilities</b>          |              |                       |                |
| Contract liabilities                |              | <b>62,269</b>         | 32,908         |
| Trade and other payables            | 14           | <b>187,238</b>        | 223,713        |
| Current income tax liabilities      |              | <b>19,387</b>         | 33,048         |
| Bank and other borrowings           | 13           | <b>191,522</b>        | 98,244         |
| Lease liabilities                   |              | <b>10,486</b>         | 20,272         |
|                                     |              | <hr/>                 | <hr/>          |
| Total current liabilities           |              | <b>470,902</b>        | 408,185        |
|                                     |              | <hr/>                 | <hr/>          |
| <b>Total liabilities</b>            |              | <b>510,214</b>        | 452,877        |
|                                     |              | <hr/>                 | <hr/>          |
| <b>Total equity and liabilities</b> |              | <b>923,924</b>        | 754,587        |
|                                     |              | <hr/> <hr/>           | <hr/> <hr/>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

Be Friends Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Starlink Vibrant Holdings Ltd. (“**Starlink**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and wholly owned by the chairman of the Company, Mr. Li Jun, which holds 23.32% of the Company’s shares issued as at 31 December 2024.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together the “**Group**”) are principally engaged in the provision of (i) new media services; and (ii) television broadcasting business. The Group has operations mainly in the People’s Republic of China (the “**PRC**”).

These consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousands (“**000**”), unless otherwise stated.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

### 2.1 Basis of preparation

#### (a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

**(b) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis.

**(c) New and amended standards adopted by the Group**

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year:

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

*Amendments to HKAS 1: Classification of Liabilities as Current or Non-current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

*Amendments to HKAS 1: Non-current Liabilities with Covenants*

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

*Amendments to HK Interpretation 5: Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

This interpretation is revised as a consequence of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants to align the corresponding wordings with no change in conclusion.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

*Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

*Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback*

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

**(d) New standards and interpretations not yet adopted**

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

|   |  |
|---|--|
| Amendments to HKAS 21                             | Lack of Exchangeability <sup>1</sup>   |
| Amendments to HKFRS 9 and HKFRS 7                 | Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>             |
| Annual Improvements to HKFRS Accounting Standards | Volume 11 <sup>2</sup>   |
| Amendments to HKFRS 9 and HKFRS 7                 | Contracts Referencing Nature-dependent Electricity <sup>2</sup>                                    |
| HKFRS 18  | Presentation and Disclosure in Financial Statements <sup>3</sup>                                   |
| HKFRS 19  | Subsidiaries without Public Accountability: Disclosures <sup>3</sup>                               |
| Amendments to HKFRS 10 and HKAS 28                | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup> |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> The effective date to be determined

The Group is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRSs. So far the management is of the opinion that the adoption of the new/revised HKFRSs will not have any significant impact on the consolidated financial statements.

**3. SEGMENT INFORMATION**

The chief operating decision-maker (“**CODM**”) mainly include the board of directors of the Company, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the CODM considers the business from both business and geographical perspective.

There were two reportable operating segments, namely (i) New media services; and (ii) Television broadcasting business.

The CODM assesses the performance of the operating segments mainly based on profit for the year from each segment. Certain unallocated items are not allocated to each segment as they are not directly relevant to the operating results upon performance measurement and resource allocation by the CODM.

Inter-segment revenue and transfers are transacted with reference to the cost of sales and are eliminated on consolidation.



The segment information provided to the CODM for the reportable segments during the year is as follows:

**For the year ended 31 December 2024**

|   | New media<br>services<br>RMB'000 | Television<br>broadcasting<br>business<br>RMB'000 | Unallocated<br>RMB'000 | Total<br>RMB'000 |
|---|----------------------------------|---|------------------------|------------------|
| Segment revenue   | 1,138,144                        | 113,143   | –                      | 1,251,287        |
| Inter-segment revenue   | –                                | (783)   | –                      | (783)            |
| Segment revenue (from external customers)                           | 1,138,144                        | 112,360   | –                      | 1,250,504        |
| Segment results   | 100,891                          | (22,027)  | (6,634)                | 72,230           |
| <b>Other information</b>  |                                  |   |                        |                  |
| Segment assets  | 669,805                          | 251,540   | 2,579                  | 923,924          |
| Segment liabilities   | 252,981                          | 253,587   | 3,646                  | 510,214          |
| <b>Additions to non-current segment assets<br/>during the year:</b> |                                  |   |                        |                  |
| — Additions to property, plant and equipment                        | 5,969                            | 485   | –                      | 6,454            |
| — Additions to intangible assets                                    | 11,657                           | –   | –                      | 11,657           |
| — Additions to right-of-use assets                                  | 25,556                           | 433   | –                      | 25,989           |
| <b>Amounts included in segment results:</b>                         |                                  |   |                        |                  |
| (Loss allowance) Reversal of loss on trade receivables              | (145)                            | 2,977   | –                      | 2,832            |
| Share of results of an associate                                    | –                                | 2,847   | –                      | 2,847            |
| Share-based payment in respect of share awards                      | (47,925)                         | –   | –                      | (47,925)         |
| Depreciation of property, plant and equipment                       | (6,676)                          | (2,930)   | –                      | (9,606)          |
| Depreciation of right-of-use asset                                  | (19,453)                         | (1,402)   | –                      | (20,855)         |
| Amortisation of intangible assets                                   | (7,371)                          | (1,559)   | –                      | (8,930)          |
| Write-down of inventories   | –                                | (7,440)   | –                      | (7,440)          |
| Change in fair value of contingent consideration<br>receivable      | –                                | (1,823)   | –                      | (1,823)          |
| Lease payment on short-term lease                                   | (3,074)                          | (2,929)   | –                      | (6,003)          |
| Finance costs (excluding net foreign exchange gain)                 | (699)                            | (12,177)  | –                      | (12,876)         |
| Interest income on long-term bank deposits                          | 320                              | –   | –                      | 320              |
| Interest income on short-term bank deposits                         | 3,318                            | 19  | –                      | 3,337            |
| Written off of property, plant and equipment                        | (67)                             | –   | –                      | (67)             |

**For the year ended 31 December 2023**

|   | New media<br>services<br><i>RMB'000</i> | Television<br>broadcasting<br>business<br><i>RMB'000</i> | Unallocated<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|---|---|--|-------------------------------|-------------------------|
| Segment revenue (from external customers)                           | 988,732                                 | 85,603   | –                             | 1,074,335               |
| Segment results   | 113,718                                 | 5,999  | (5,746)                       | 113,971                 |
| <b>Other information</b>  |   |  |                               |                         |
| Segment assets  | 446,827                                 | 306,781  | 979                           | 754,587                 |
| Segment liabilities   | 167,500                                 | 282,977  | 2,400                         | 452,877                 |
| <b>Additions to non-current segment assets<br/>during the year:</b> |   |  |                               |                         |
| — Additions to property, plant and equipment                        | 12,204                                  | 518  | –                             | 12,722                  |
| — Additions to intangible assets                                    | 3,127                                   | –  | –                             | 3,127                   |
| — Additions to right-of-use assets                                  | 27,393                                  | 2,293  | –                             | 29,686                  |
| — Additions — Acquisition of subsidiaries                           | 91,122                                  | –  | –                             | 91,122                  |
| <b>Amounts included in segment results:</b>                         |   |  |                               |                         |
| Loss allowance on trade receivables                                 | –                                       | (6,833)  | –                             | (6,833)                 |
| Reversal of loss allowance on other receivables                     | –                                       | 1,800  | –                             | 1,800                   |
| Share of results of an associate                                    | –                                       | 7,074  | –                             | 7,074                   |
| Share-based payment in respect of share awards                      | (83,713)                                | –  | –                             | (83,713)                |
| Depreciation of property, plant and equipment                       | (5,034)                                 | (3,220)  | –                             | (8,254)                 |
| Depreciation of right-of-use asset                                  | (13,258)                                | (1,399)  | –                             | (14,657)                |
| Amortisation of intangible assets                                   | (5,898)                                 | (1,727)  | –                             | (7,625)                 |
| Write-down of inventories   | –                                       | (6,972)  | –                             | (6,972)                 |
| Change in fair value of contingent consideration<br>receivable      | –                                       | 17,325   | –                             | 17,325                  |
| Lease payment on short-term lease                                   | (238)                                   | (1,858)  | –                             | (2,096)                 |
| Finance costs (excluding net foreign exchange loss)                 | (1,058)                                 | (13,189)   | –                             | (14,247)                |
| Interest income on long-term bank deposits                          | 160                                     | –  | –                             | 160                     |
| Interest income on short-term bank deposits                         | 691                                     | 282  | –                             | 973                     |
| Loss on disposal of property, plant and equipment                   | (224)                                   | –  | –                             | (224)                   |

### Information about major customers

No revenue from any customer individually accounted for 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

The Group's revenue was principally derived from the business carried out in the PRC. The revenue from external customers in the PRC and other countries and districts are disclosed as follows:

|           | <b>2024</b><br><b>RMB'000</b> | <b>2023</b><br><b>RMB'000</b> |
|-----------|-------------------------------|-------------------------------|
| The PRC   | <b>1,242,508</b>              | 1,071,874                     |
| Hong Kong | <b>6,116</b>                  | 1,970                         |
| Others    | <b>1,880</b>                  | 491                           |
|           | <b>1,250,504</b>              | <b>1,074,335</b>              |

|  | <b>As at 31 December</b><br><b>2024</b><br><b>RMB'000</b> | <b>2023</b><br><b>RMB'000</b> |
|--|---|-------------------------------|
|--|---|-------------------------------|

Total of non-current assets other than deferred income tax assets,  
trade and other receivables, long-term bank deposits and  
interest in associates

|                          |                |                |
|--------------------------|----------------|----------------|
| The PRC                  | <b>147,792</b> | 156,319        |
| United States of America | <b>6,001</b>   | —              |
| Others                   | <b>498</b>     | 268            |
|                          | <b>154,291</b> | <b>156,587</b> |

#### 4. REVENUE AND OTHER GAINS, NET

An analysis of the Group's revenue by type is as follows:

|  | 2024<br>RMB'000  | 2023<br>RMB'000  |
|--|------------------|------------------|
| <b>Revenue from contracts with customers within the scope of HKFRS 15:</b> |                  |                  |
| New media services   | 1,138,144        | 988,732          |
| Application solutions  | 70,096           | 48,028           |
| Sales of self-developed products   | 29,342           | 23,078           |
| System maintenance services  | 12,922           | 14,497           |
|  | <u>1,250,504</u> | <u>1,074,335</u> |
| <b>Timing of revenue recognition</b>                                       |                  |                  |
| At a point in time   | 1,237,582        | 1,059,838        |
| Over time  | 12,922           | 14,497           |
|  | <u>1,250,504</u> | <u>1,074,335</u> |

The revenue from contracts with customers within HKFRS 15 is based on fixed price.

|   | 2024<br>RMB'000 | 2023<br>RMB'000 |
|---|-----------------|-----------------|
| <b>Other gains</b>                                |                 |                 |
| Government grants ( <i>note</i> )                 | 17,698          | 4,000           |
| Value added tax refund                            | 2,977           | 5,273           |
| Others  | 76              | 31              |
|   | <u>20,751</u>   | <u>9,304</u>    |
| <b>Other losses</b>                               |                 |                 |
| Loss on disposal of property, plant and equipment | (67)            | (224)           |
| Loss on early termination of lease                | (144)           | –               |
| Others  | (2,162)         | (205)           |
|   | <u>(2,373)</u>  | <u>(429)</u>    |
| <b>Other gain, net</b>                            | <u>18,378</u>   | <u>8,875</u>    |

*Note:* Government grants represented cash subsidies received from the PRC local government for the Group's research and development activities during the years ended 31 December 2024 and 2023. There are no unfilled conditions or contingencies relating to such government grant income.

## 5. EXPENSES BY NATURE

|  | 2024<br>RMB'000  | 2023<br>RMB'000 |
|--|------------------|-----------------|
| Cost of services                                       | 554,060          | 449,769         |
| Employee benefits expenses**                           | 409,828          | 352,819         |
| Cost of inventories*                                   | 81,968           | 50,446          |
| Depreciation expenses of right-of-use assets           | 20,855           | 14,657          |
| Travelling and transportation expenses                 | 15,751           | 11,851          |
| Office expenses  | 12,673           | 10,505          |
| Depreciation expenses of property, plant and equipment | 9,606            | 8,254           |
| Amortisation expenses of intangible assets (note 10)   | 8,930            | 7,625           |
| Legal fee and professional charges                     | 7,311            | 4,921           |
| Advertising and promotion                              | 6,780            | 7,134           |
| Others   | 6,671            | 5,326           |
| Business development                                   | 6,380            | 6,602           |
| Other transaction taxes                                | 5,905            | 4,482           |
| Testing expenses                                       | 2,985            | 330             |
| Leases expenses under short term leases                | 2,828            | 2,096           |
| Auditor's remuneration                                 | 1,900            | 1,850           |
| Servicing and agency costs                             | 1,119            | 1,082           |
| Donation   | —                | 3,000           |
|  | <u>1,155,550</u> | <u>942,749</u>  |

\* Cost of inventories includes RMB3,390,000 (2023: RMB1,846,000) relating to employee benefits expenses.

\*\* Employee benefits expenses disclosed above do not include an amount of RMB6,523,000 (2023: Nil) incurred relating to research and development activities.

## 6. FINANCE COSTS, NET

|  | 2024<br>RMB'000 | 2023<br>RMB'000 |
|--|-----------------|-----------------|
| <b>Finance income</b>  |                 |                 |
| Interest income on long-term bank deposits                         | 320             | 160             |
| Interest income on short-term bank deposits                        | <u>3,337</u>    | <u>973</u>      |
|  | <u>3,657</u>    | <u>1,133</u>    |
| <b>Finance costs</b>   |                 |                 |
| Interest expenses on bank and other borrowings                     | (10,769)        | (12,186)        |
| Interest expenses on lease liabilities                             | (963)           | (1,013)         |
| Interest expenses on amount due to a related company/a shareholder | (684)           | (534)           |
| Interest expenses on amounts due to a director                     | (460)           | (514)           |
| Net foreign exchange gain (loss)                                   | <u>987</u>      | <u>(222)</u>    |
|  | <u>(11,889)</u> | <u>(14,469)</u> |
| Finance costs, net   | <u>(8,232)</u>  | <u>(13,336)</u> |

## 7. INCOME TAX EXPENSE

|   | 2024<br><i>RMB'000</i> | 2023<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| PRC enterprise income tax (“EIT”)       |                        |                        |
| — Current income tax                    | 23,382                 | 42,109                 |
| — Under (Over) provision in prior years | <u>1,034</u>           | <u>(4,785)</u>         |
|   | 24,416                 | 37,324                 |
| Deferred income tax                     | <u>4,870</u>           | <u>(11,776)</u>        |
| Income tax expense                      | <u><u>29,286</u></u>   | <u><u>25,548</u></u>   |

### **Cayman Islands income tax**

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands and accordingly, is exempted from the Cayman Islands income tax.

### **BVI income tax**

Some of the subsidiaries of the Group, incorporated in BVI as exempted companies with limited liability under the Companies Law of BVI, are exempted from BVI income tax.

## **Hong Kong profits tax**

Entities of the Group incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% for the year ended 31 December 2024 (2023: 16.5%) on the estimated assessable profit for the year. Hong Kong profits tax has not been provided as the Group incurred a loss for taxation purposes during both years.

## **PRC EIT**

Entities of the Group incorporated in the PRC are subject to EIT. According to the EIT law effective from 1 January 2008, all PRC enterprises are subject to a standard EIT rate of 25%, except for enterprises which are allowed to enjoy the preferential policies and provisions as discussed below:

Certain subsidiaries obtained the High and New Technology Enterprise qualification. A reduced tax rate of 15% (2023: 15%) was granted as long as those PRC subsidiaries meet the high-tech enterprise qualification.

Certain subsidiaries of the Group meet the criteria of Micro-enterprise. Pursuant to the Announcement of Ministry of Finance and the State Administration of Taxation No. 13 of 2022\* (《財政部稅務總局公告2022年第13號》) and the Announcement of Ministry of Finance and the State Administration of Taxation No. 6 of 2023\* (《財政部稅務總局公告2023年第6號》), Micro-enterprise could enjoy an EIT at 20% on the assessable profits below RMB3,000,000 after reduction of 75% of assessable profits.

## **PRC withholding tax**

In addition, according to the EIT law, dividends, interests, rent, royalties and gains on transfers of property received by a foreign enterprise, i.e., a non-China tax resident enterprise, will be subject to PRC withholding tax at 10% or a reduced treaty rate depending on provisions of tax treaty entered between the PRC and the jurisdiction where the foreign enterprise incorporated. The withholding tax rate is 5% for the holding company in Hong Kong if the parent company is the beneficial owner of the dividend received from the invested enterprises in the PRC and obtained the approval of enjoying the treaty rate from the PRC tax authorities. The withholding tax imposed on the dividend income received from the Group's PRC entities will reduce the Group's net income.

\* For identification only



## 8. EARNINGS PER SHARE

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

|  |             | <b>2024</b><br><b>RMB'000</b>   | 2023<br><b>RMB'000</b>   |
|--|-------------|---------------------------------|--------------------------|
| <b>Numerator</b>   |             |                                 |                          |
| Profit attributable to owners of the Company and used in computing basic and diluted earnings per share  |             | <b>81,708</b>                   | 119,462                  |
|  | <i>Note</i> | <b>'000 shares</b>              | <b>'000 shares</b>       |
| <b>Denominator</b>   |             |                                 |                          |
| Weighted average number of ordinary shares in issue or cancelled less shares held under the share award scheme during the year for the purpose of calculating basic earnings per share | <i>(a)</i>  | <b>1,346,747</b>                | 1,320,318                |
| Effect of dilutive potential ordinary shares:  |             |                                 |                          |
| Unvested share award   |             | <b>30,080</b>                   | 60,562                   |
| Weighted average number of ordinary shares used in computing diluted earnings per share  |             | <b>1,376,827</b>                | 1,380,880                |
|  |             | <b>2024</b><br><b>RMB cents</b> | 2023<br><b>RMB cents</b> |
| Basic earnings per share   |             | <b>6.07</b>                     | 9.05                     |
| Diluted earnings per share   |             | <b>5.93</b>                     | 8.65                     |

*Note:*

- (a) The weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023 excluding ordinary shares held for the share award scheme.

## 9. GOODWILL

|                                   | <b>2024</b><br><b>RMB'000</b> | 2023<br><b>RMB'000</b> |
|-----------------------------------|-------------------------------|------------------------|
| Reconciliation of carrying amount |                               |                        |
| As at 1 January                   | <b>80,112</b>                 | –                      |
| Acquisition of a subsidiary       | –                             | 80,112                 |
| As at 31 December                 | <b>80,112</b>                 | 80,112                 |

Goodwill arose because the consideration paid for the acquisition effectively included amount in relation to the benefits originated from future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

## 10. INTANGIBLE ASSETS

|  | Cooperation<br>agreement<br><i>RMB'000</i> | Media<br>accounts<br><i>RMB'000</i> | Computer<br>software<br><i>RMB'000</i> | Development<br>costs<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--|--|-------------------------------------|--|--|-------------------------|
| Reconciliation of carrying amount —<br>year ended 31 December 2023 |  |                                     |  |  |                         |
| As at 1 January 2023   | —  | —                                   | 5,598                                  | —                                      | 5,598                   |
| Addition   | —  | —                                   | 3,127                                  | —                                      | 3,127                   |
| Additions — business combination                                   | 8,100                                      | 2,910                               | —                                      | —                                      | 11,010                  |
| Amortisation   | (2,297)                                    | (384)                               | (4,944)                                | —                                      | (7,625)                 |
| As at 31 December 2023   | <u>5,803</u>                               | <u>2,526</u>                        | <u>3,781</u>                           | <u>—</u>                               | <u>12,110</u>           |
| Reconciliation of carrying amount —<br>year ended 31 December 2024 |  |                                     |  |  |                         |
| As at 1 January 2024   | 5,803                                      | 2,526                               | 3,781                                  | —                                      | 12,110                  |
| Addition   | —  | —                                   | 3,657                                  | 8,000                                  | 11,657                  |
| Amortisation   | (3,488)                                    | (583)                               | (4,793)                                | (66)                                   | (8,930)                 |
| As at 31 December 2024   | <u>2,315</u>                               | <u>1,943</u>                        | <u>2,645</u>                           | <u>7,934</u>                           | <u>14,837</u>           |
| As at 31 December 2023   |  |                                     |  |  |                         |
| Cost   | 8,100                                      | 2,910                               | 21,259                                 | 202                                    | 32,471                  |
| Accumulated amortisation   | (2,297)                                    | (384)                               | (17,478)                               | (202)                                  | (20,361)                |
| Net book value   | <u>5,803</u>                               | <u>2,526</u>                        | <u>3,781</u>                           | <u>—</u>                               | <u>12,110</u>           |
| As at 31 December 2024   |  |                                     |  |  |                         |
| Cost   | 8,100                                      | 2,910                               | 24,916                                 | 8,202                                  | 44,128                  |
| Accumulated amortisation   | (5,785)                                    | (967)                               | (22,271)                               | (268)                                  | (29,291)                |
| Net book value   | <u>2,315</u>                               | <u>1,943</u>                        | <u>2,645</u>                           | <u>7,934</u>                           | <u>14,837</u>           |

Development cost represent costs incurred at the development phase of an internal project, which are capitalised and, if available for use, amortised under the straight-line method over 10 years. This assets is tested for impairment where an indicator of impairment appears, and, if not yet available for use, tested annually.

Amortisation expense of RMB8,930,000 (2023: RMB7,625,000) for the year ended 31 December 2024 has been charged in administrative expenses.

## 11. TRADE AND OTHER RECEIVABLES

|   | Notes | 2024<br>RMB'000 | 2023<br>RMB'000 |
|---|-------|-----------------|-----------------|
| <b>Trade receivables</b>  |       |                 |                 |
| — from third parties  |       | 246,251         | 283,875         |
| — from an associate   |       | 716             | 1,742           |
|   | (i)   | 246,967         | 285,617         |
| Less: provision for impairment of trade receivables                             |       | (54,196)        | (57,028)        |
| Trade receivables, net  |       | 192,771         | 228,589         |
| <b>Other receivables</b>  |       |                 |                 |
| Deposit for guarantee certificate over tendering and performance                |       | 14,501          | 5,551           |
| Deposit paid for acquisition of a subsidiary                                    |       | 16,934          | 16,934          |
| Cash advance to employees   |       | 7,881           | 4,022           |
| Consideration receivable  | (ii)  | 1,920           | —               |
| Contingent consideration receivable   | (ii)  | —               | 17,325          |
| Due from an associate   | (iii) | 203             | —               |
| Due from related parties  | (iv)  | 24,305          | 18,195          |
| Receivable from disposal of a subsidiary  | (v)   | 3,602           | 3,602           |
| Loan to a third party   | (vi)  | 21,000          | —               |
| Other deposits paid   |       | 12,087          | 2,145           |
| Other tax receivables   |       | 22,867          | —               |
| Others  |       | 4,336           | 2,398           |
|   |       | 129,636         | 70,172          |
| Less: provision for impairment of deposits paid for acquisition of a subsidiary |       | (16,934)        | (16,934)        |
|   |       | (16,934)        | (16,934)        |
| Other receivables, net  |       | 112,702         | 53,238          |
| Total trade and other receivables   |       | 305,473         | 281,827         |
| Less: Non-current portion   |       |                 |                 |
| Receivable from disposal of a subsidiary  | (v)   | 3,602           | 3,602           |
| Other deposits paid   |       | 2,000           | 4,156           |
| Trade receivables — third parties   | (i)   | 5,459           | 2,556           |
| Less: provision for impairment of trade receivables                             |       | (54)            | (54)            |
| <b>Non-current portion</b>  |       | 11,007          | 10,260          |
| <b>Current portion</b>  |       | 294,466         | 271,567         |

As at 31 December 2024 and 2023, the fair values of trade and other receivables of the Group approximate their carrying amounts.

Notes:

- (i) Invoices issued to our customers (both third parties and an associate) are payable on issuance and no credit terms are stipulated in our project contracts and service agreement for new media services generally. The majority of the Group's trade receivables will be settled from three months to two years based on the historical record. The Group has put in place control measures so that our accounting and finance department will keep regular tracking of outstanding receivables, and our heads of sale department would supervise our sale personnel to closely monitor and follow up with our customers on settlement of the outstanding receivables.

The ageing analysis of the trade receivables based on invoice date is as follows:

|                                      | 2024<br>RMB'000 | 2023<br>RMB'000 |
|--------------------------------------|-----------------|-----------------|
| Up to 3 months                       | 132,583         | 140,186         |
| Over 3 months but less than 6 months | 9,167           | 10,221          |
| Over 6 months but less than 1 year   | 24,056          | 37,973          |
| Over 1 year but less than 2 years    | 13,482          | 20,937          |
| Over 2 years but less than 3 years   | 10,639          | 13,552          |
| Over 3 years                         | 57,040          | 62,748          |
|                                      | <u>246,967</u>  | <u>285,617</u>  |

The Group applies simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

- (ii) The amount represented contingent receivable for disposal of Beijing Evertop in 2018. The contingent consideration receivable will be settled only when the audited profits after tax of Beijing Evertop for the three years ended 31 December 2020 ("**Profit Guarantee Period**") shall not be less than RMB30,000,000 ("**Target Profits**") in aggregate.

In view of the coronavirus outbreak in the PRC since early 2020, there has been disruption in the general business operation environment in the PRC, especially to the sports industry, and the business performance of Beijing Evertop was affected. On 8 July 2020, the Group and Wanda Sports Co., Ltd ("**Wanda Sports**") entered into a supplemental agreement to the equity transfer agreement dated 9 November 2018 pursuant to which the parties agreed to amend, inter alia, the Profit Guarantee Period from the three years ended 31 December 2020 to the two years ended 31 December 2019 together with the year ended 31 December 2021 ("**Revised Profit Guarantee Period**").

On 9 February 2022, the Group and Wanda Sports entered into second supplemental agreement to the equity transfer agreement dated 9 November 2018 pursuant to which the parties agreed to amend, inter alia, the Revised Profit Guarantee Period from the two years ended 31 December 2019 together with the year ended 31 December 2021 to the two years ended 31 December 2019 together with the year ending 31 December 2022 ("**Second Revised Profit Guarantee Period**"). In the event that Beijing Evertop generates profits exceeded RMB21,000,000 (the "**Minimum Profit Target**") but less than the Target Profits during the Second Revised Profit Guarantee Period, the consideration shall be adjusted downwards, or additional equity interests in Beijing Evertop shall be transferred to Wanda Sports at the election of Wanda Sports.

On 10 March 2023, the Group and Wanda Sports, after considered the continuous coronavirus outbreak in the PRC remain affecting the sport industry and adversely affect the business performance of Beijing Evertop, entered into the third supplemental agreement to the equity transfer agreement dated 9 November 2018 pursuant to which the parties agreed to amend, inter alia, the Second Revised Profit Guarantee Period from the two years ended 31 December 2019 together with the year ended 31 December 2022 to the two years ended 31 December 2019 together with the year ended 31 December 2023 (“**Third Revised Profit Guarantee Period**”), and deducting 55% of the actual net loss (if any) of Beijing Evertop for the year ended 31 December 2022 as set out in its 2022 audited financial statement.

In the event that the actual profit of Beijing Evertop does not meet the Minimum Profit Target during the Third Revised Profit Guarantee Period, Wanda Sports shall have the right to request the refund of the total consideration paid of RMB24,900,000 together with interest at the rate of 10% per annum.

Based on the audited financial information of Beijing Evertop, Beijing Evertop has partially met the Target Profits during the Third Revised Profit Guarantee Period and the Group is entitled to receive RMB15,502,000 from Wanda Sports. The difference was a change in fair value of the contingent consideration receivable of RMB1,823,000 during the year ended 31 December 2024 (2023: RMB17,325,000). The Group received RMB13,582,000 from Wanda Sports during the year.

- (iii) The amounts due from Beijing Evertop is unsecured, interest-free and repayable on demand.
- (iv) The amounts due are unsecured, interest-free and repayable on demand.

Details of amounts due from related companies are as follows:

|                |       | As at 31 December |               | Maximum amount<br>During the year ended |         |
|----------------|-------|-------------------|---------------|---|---------|
|                |       | 2024              | 2023          | 31 December<br>2024                     | 2023    |
|                | Notes | RMB'000           | RMB'000       | RMB'000                                 | RMB'000 |
| 北京世紀睿科工程技術有限公司 | (a)   | 9,957             | 10,316        | 10,316                                  | 10,316  |
| 北京格非信息技術有限公司   | (b)   | 14,348            | 7,879         | 14,348                                  | 7,879   |
|                |       | <u>24,305</u>     | <u>18,195</u> |   |         |

Notes:

- (a) Mr. Lo Chi Sum (“**Mr. Lo**”), an executive director of the Company, has direct beneficial interests in, and control over, the related company.
- (b) Certain directors of a non-wholly owned subsidiary have direct beneficial interests in, and control over, the related companies.
- (v) The amount due was unsecured, interest-free and repayable on or before 29 April 2027.
- (vi) The amount due is unsecured, bear interest at a fixed rate of 3% per annum and is wholly repayable on 7 November 2025.

## 12. SHARE CAPITAL AND TREASURY SHARES

|  | Number of<br>ordinary<br>shares | Nominal<br>value of<br>ordinary<br>shares<br>HKD'000 |
|--|---------------------------------|--|
| <b>Authorised:</b>   |                                 |  |
| Ordinary shares of HKD0.01 each  |                                 |  |
| As at 1 January 2023, 31 December 2023, 1 January 2024 and<br>31 December 2024 | 5,000,000,000                   | 50,000   |

Ordinary shares of HKD0.01 each:

|  | Number of<br>ordinary<br>shares | Share capital  |  | Treasury shares                                      |  |
|--|---------------------------------|--|--|--|--|
|  |                                 | Nominal<br>value of<br>ordinary<br>shares<br>HKD'000 | Equivalent<br>nominal<br>value of<br>ordinary<br>shares<br>RMB'000 | Nominal<br>value of<br>ordinary<br>shares<br>HKD'000 | Equivalent<br>nominal<br>value of<br>ordinary<br>shares<br>RMB'000 |
| <b>Issued and fully paid</b>                         |                                 |  |  |  |  |
| Balance as at 1 January 2023                         | 1,311,270,995                   | 13,112   | 10,667   | –  | –  |
| Issues of new shares for the Share Award Plan        | 79,570,168                      | 796  | 696  | –  | –  |
| Balance as at 31 December 2023 and<br>1 January 2024 | 1,390,841,163                   | 13,908   | 11,363   | –  | –  |
| Shares repurchased ( <i>Note (a)</i> )               | (6,188,000)                     | (36)   | (33)   | (25)   | (24)   |
| Balance as at 31 December 2024                       | 1,384,653,163                   | 13,872   | 11,330   | (25)   | (24)   |
| <b>Shares repurchased but not cancelled</b>          |                                 |  |  |  |  |
| Number of shares ( <i>Note (b)</i> )                 | 2,550,000                       |  |  |  |  |
|  | 1,387,203,163                   |  |  |  |  |

*Notes:*

- a. During the year ended 31 December 2024, pursuant to the general mandate given to the directors of the Company, the Company repurchased a total of 6,188,000 of its shares on the Stock Exchange at a total consideration of HKD7,952,000 (approximately RMB7,364,000), in which 3,638,000 shares were cancelled. The nominal value of the cancelled shares of HKD36,000 (approximately RMB33,000) was credited to capital redemption reserve.

The total consideration paid to repurchase these shares has been deducted from equity attributable to the owners of the Company.

- b. As at 31 December 2024, there are repurchased shares that were not cancelled of 2,550,000 shares.

### 13. BANK AND OTHER BORROWINGS

|  | Notes | 2024<br>RMB'000 | 2023<br>RMB'000 |
|--|-------|-----------------|-----------------|
| Bank borrowings, unsecured and guaranteed    | (a)   | 43,535          | 20,483          |
| Bank borrowings, secured and guaranteed      | (b)   | 12,000          | 12,500          |
| Bank borrowings, unsecured and unguaranteed  | (c)   | 34,654          | 11,747          |
| Bank borrowings, secured and unguaranteed    | (d)   | 42,833          | —               |
| Other borrowings, unsecured and unguaranteed | (e)   | 79,035          | 89,158          |
|  |       | <u>212,057</u>  | <u>133,888</u>  |
| Non-current                                  |       | 20,535          | 35,644          |
| Current                                      |       | <u>191,522</u>  | <u>98,244</u>   |
|  |       | <u>212,057</u>  | <u>133,888</u>  |

Notes:

#### (a) Bank borrowings, unsecured and guaranteed

The bank borrowings are unsecured, bear interest (i) at fixed rates ranging from 1.98% to 4.3% per annum; or (ii) at the prevailing interest rate of 台灣央行專案融通利率 plus 1.4% per annum (2023: (i) at fixed rates ranging from 3.55% to 4.3% per annum; or (ii) at the prevailing interest rate of 台灣央行專案融通利率 plus 1.4% per annum).

The bank borrowings of RMB535,000 (2023: RMB833,000) (denominated in New Taiwan dollar) are guaranteed by Mr. Lo and a director of a subsidiary and repayable in December 2026.

The bank borrowings of RMB15,000,000 (2023: RMB6,000,000) are guaranteed by non-controlling shareholders of a subsidiary, which are wholly repayable within one year.

The bank borrowings of RMB5,000,000 (2023: RMB3,650,000) are guaranteed by an independent third party, Beijing Guohua Culture & Technology Financing Guarantee Co., Ltd., a director of a subsidiary and his spouse, which are wholly repayable within one year.

The bank borrowings of RMB13,000,000 (2023: RMB10,000,000) are guaranteed by an independent third party, Beijing Zhongguancun Sci-Tech Financing Guaranty Co., Ltd., which are wholly repayable within one year.

The remaining bank borrowings of RMB10,000,000 (2023: RMBNil) are guaranteed by a subsidiary, which are wholly repayable within one year.



**(b) Bank borrowings, secured and guaranteed**

The bank borrowings bear interest at the prevailing interest rate of Loan Prime Rate (“LPR”) in the PRC (2023: at the prevailing interest rate of LPR in the PRC).

The bank borrowings are secured by the buildings with carrying amount of RMB20,363,000 (2023: RMB22,847,000) and are guaranteed by an independent third party, Beijing Zhongguancun Sci-Tech Financing Guaranty Co., Ltd. (2023: the same). The bank borrowings are wholly repayable within one year.

**(c) Bank borrowings, unsecured and unguaranteed**

The bank borrowings are unsecured, bear interest at fixed rates ranging from 1.98% to 15.01% per annum (2023: at fixed rates ranging from 3.85% to 15.01% per annum).

As at 31 December 2024, amount of RMB24,654,000 (2023: RMB3,000,000) included in the balance are repayable within one year and classified as current liabilities. The remaining balance of RMB10,000,000 (2023: RMB8,747,000) is repayable during January 2026 to October 2026 (2023: June 2025 to October 2026).

**(d) Bank borrowings, secured and unguaranteed**

The bank borrowings are secured by the pledged bank deposits of RMB42,451,000, bear interest at a fixed rate of 4.8% per annum and are wholly repayable within one year.

**(e) Other borrowings, unsecured and unguaranteed**

The other borrowings are unsecured, bear interest (i) at rates ranging from 1.5% to 12% per annum; or (ii) at rates ranging from 2% to 3% per month (2023: at rates ranging from 1% to 12% per annum).

An amount of RMB8,843,000 (2023: RMB2,390,000) was repaid during the year and the repayment date of the remaining balance of RMB54,251,000 (2023: RMB50,910,000) has been extended to 31 December 2025.

The remaining other borrowings of RMB14,784,000 (2023: RMB16,064,000) (denominated in JPY) and RMB10,000,000 (2023: RMB10,000,000) (denominated in RMB) is repayable in June 2025 and January 2028 respectively.

#### 14. TRADE AND OTHER PAYABLES

|  |       | 2024           | 2023           |
|--|-------|----------------|----------------|
|  | Notes | RMB'000        | RMB'000        |
| <b>Trade payables</b>                  |       |                |                |
| to third parties                       |       | 82,684         | 93,501         |
| to an associate                        |       | —              | 11,586         |
|  | (a)   | <u>82,684</u>  | <u>105,087</u> |
| <b>Other payables</b>                  |       |                |                |
| Other taxes payables                   |       | 11,681         | 15,784         |
| Employee benefits payables             |       | 41,813         | 46,363         |
| Due to an associate                    | (b)   | —              | 623            |
| Due to a director                      | (c)   | —              | 2,668          |
| Due to a related company/a shareholder | (d)   | 8,765          | 9,710          |
| Accrual for professional service fees  |       | 1,900          | 1,850          |
| Accrual for operating expenses         |       | 1,484          | 5,356          |
| Interest payables                      |       | 26,893         | 22,781         |
| Loans from third parties               | (e)   | 5,500          | 8,500          |
| Others                                 |       | <u>6,518</u>   | <u>4,991</u>   |
|  |       | <u>104,554</u> | <u>118,626</u> |
|  |       | <u>187,238</u> | <u>223,713</u> |

Notes:

- (a) The credit period of trade payables is normally within 60 (2023: 60) days. The ageing analysis of the trade payables based on invoice date is as follows:

|                                   | 2024<br><i>RMB'000</i> | 2023<br><i>RMB'000</i> |
|-----------------------------------|------------------------|------------------------|
| Within 3 months                   | 55,395                 | 63,913                 |
| Over 3 months but within 6 months | 3,641                  | 18,233                 |
| Over 6 months but within 1 year   | 5,059                  | 177                    |
| Over 1 year but within 2 years    | 11,672                 | 5,346                  |
| Over 2 years but within 3 years   | 762                    | 5,919                  |
| Over 3 years                      | 6,155                  | 11,499                 |
|                                   | <u>82,684</u>          | <u>105,087</u>         |

- (b) The amounts due to Beijing Evertop was unsecured, interest-free and repayable on demand.
- (c) As at 31 December 2023, the balance represented the amounts due to Mr. Lo. During the year ended 31 December 2024, the balance is unsecured, bear interest at rate of 5.25% per annum (2023: the same) and wholly repaid.
- (d) The balance represents the amount due to Cerulean Coast Limited, a company wholly-owned by Mr. Lo. As at 31 December 2024, the balance is unsecured, bears interest at rate of 5.25% per annum (2023: the same) and repayable on demand.
- (e) The loans are unsecured, interest-free and repayable within one year.

## 15. DIVIDENDS

The directors of the Company do not recommend payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## **OTHER INFORMATION**

### **Corporate Governance**

Throughout the Reporting Period, the Company continued to apply the principles set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. The Directors consider that the Company had complied with all the applicable code provisions of the CG Code during the Reporting Period.

### **Model Code For Directors’ Securities Transactions**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) (with certain modifications).

The Company has made specific enquiry of all Directors and all Directors have confirmed with the Company that they complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the Reporting Period.

### **Scope of Work of Auditor**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary results announcement have been agreed by the Group’s auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2024. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Forvis Mazars CPA Limited on this preliminary results announcement.

## Publication

This final results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.befriends.com.cn](http://www.befriends.com.cn)) respectively. The 2024 annual report of the Company will be made available to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company and dispatched to the shareholders of Company (when necessary) in due course.

By order of the Board  
**Be Friends Holding Limited**  
**Li Jun**  
*Chairman*

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive Directors are Mr. Li Jun, Mr. Li Liang, Mr. Lo Chi Sum and Ms. Zhao Hui Li; and the independent non-executive Directors are Mr. Ma Zhan Kai, Dr. Yu Guo Jie and Mr. Kong Hua Wei.*