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# Duiba Group

## 兑吧集团

### DUIBA GROUP LIMITED

兑吧集团有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1753)**

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

### Financial Data Highlights

	For the year ended 31 December	
	2024 RMB'000	2023 RMB'000
Revenue		
User management SaaS platform business	244,534	191,884
Internet advertising business	607,363	838,859
Others	54,616	65,695
<b>Total</b>	<b>906,513</b>	<b>1,096,438</b>

For the year ended 31 December 2024, our revenue decreased by approximately 17.3% as compared with the corresponding period of 2023.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Duiba Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) hereby announces the audited consolidated annual results of the Group for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023 are as follows:

## **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*Year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
REVENUE	4	<b>906,513</b>	1,096,438
Cost of sales		<b>(777,051)</b>	(851,966)
Gross profit		<b>129,462</b>	244,472
Other income and gains	4	<b>52,736</b>	65,442
Selling and distribution expenses		<b>(88,392)</b>	(117,747)
Administrative expenses		<b>(85,941)</b>	(115,771)
Impairment losses on financial assets, net		<b>(22,777)</b>	(26,406)
Other expenses		<b>(3,912)</b>	(4,984)
Finance costs		<b>(15,401)</b>	(8,732)
Share of losses of associates, net of tax		<b>(2,970)</b>	(891)
(LOSS)/PROFIT BEFORE TAX	5	<b>(37,195)</b>	35,383
Income tax expense	6	<b>(2,266)</b>	(4,933)
(LOSS)/PROFIT FOR THE YEAR		<b>(39,461)</b>	30,450
Attributable to:			
Owners of the parent		<b>(39,461)</b>	30,450
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		<b>7,490</b>	11,875
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<b>7,490</b>	11,875
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<b>(31,971)</b>	42,325

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*Year ended 31 December 2024*

	<i>Note</i>	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Attributable to:			
Owners of the parent		<u><b>(31,971)</b></u>	<u>42,325</u>
 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted ( <i>RMB</i> )	8	<u><b>(3.7) cents</b></u>	<u>2.9 cents</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 December 2024

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,171</b>	2,796
Intangible assets		<b>100</b>	2,301
Right-of-use assets		<b>2,809</b>	4,075
Investment in associates		<b>234,922</b>	234,891
Deferred tax assets		<b>9,736</b>	9,712
Time deposit		<b>506</b>	–
Pledged deposits		<b>144,314</b>	121,692
Prepayments, other receivables and other assets		<b>6,989</b>	9,883
		<hr/>	<hr/>
Total non-current assets		<b>401,547</b>	385,350
<b>CURRENT ASSETS</b>			
Trade receivables	9	<b>723,783</b>	344,051
Note receivables		<b>530</b>	–
Prepayments, other receivables and other assets		<b>584,592</b>	363,134
Financial assets at fair value through profit or loss		<b>135,824</b>	215,899
Restricted cash		<b>8,586</b>	1,223
Pledged deposits		<b>235,168</b>	245,459
Time deposits		<b>–</b>	297,886
Cash and cash equivalents		<b>280,750</b>	288,460
		<hr/>	<hr/>
Total current assets		<b>1,969,233</b>	1,756,112
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>82,207</b>	63,419
Other payables and accruals		<b>278,640</b>	187,926
Tax payable		<b>5,595</b>	4,001
Contract liabilities		<b>8,427</b>	21,406
Interest-bearing bank borrowings		<b>667,164</b>	505,525
Lease liabilities		<b>2,135</b>	1,831
		<hr/>	<hr/>
Total current liabilities		<b>1,044,168</b>	784,108
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>925,065</b>	972,004

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***31 December 2024*

	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
TOTAL ASSETS LESS CURRENT LIABILITIES	<b><u>1,326,612</u></b>	<b><u>1,357,354</u></b>
NON-CURRENT LIABILITIES		
Lease liabilities	<b>844</b>	1,741
Deferred tax liabilities	<b><u>533</u></b>	<b><u>617</u></b>
Total non-current liabilities	<b><u>1,377</u></b>	<b><u>2,358</u></b>
Total net assets	<b><u>1,325,235</u></b>	<b><u>1,354,996</u></b>
EQUITY		
Equity attributable to owners of the parent		
Share capital	<b>70</b>	70
Reserves	<b><u>1,325,165</u></b>	<b><u>1,354,926</u></b>
Total equity	<b><u>1,325,235</u></b>	<b><u>1,354,996</u></b>

# NOTES TO FINANCIAL STATEMENTS

31 December 2024

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 26 February 2018. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. On 7 May 2019, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally involved in user management Software-as-a-Service (“**SaaS**”) platform business and internet advertising business.

In the opinion of the directors, the Company does not have an immediate holding company or ultimate holding company. Mr. Chen Xiaoliang and Xiaoliang Holding Limited, which is incorporated in the British Virgin Islands, are the controlling shareholders of the Company, as defined in the Rules Governing the Listing of Securities on The Stock Exchange.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investments in financial products and unlisted equity investment, which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 2.2 AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

#### Geographical information

During the year, the Group operated within one geographical area as all of the Group's revenue was generated from customers located in Chinese Mainland. All of the non-current assets of the Group were located in Chinese Mainland.

#### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Customer 1	<b>158,458</b>	Nil
Customer 2	<b>140,021</b>	333,619
Customer 3	<b>N/A*</b>	299,779

\* The corresponding revenue of the customer is not disclosed as the revenue did not individually account for 10% or more of the Group's revenue for the year.

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

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers	<b>906,513</b>	1,096,438

#### Revenue from contracts with customers

##### *Disaggregated revenue information*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Types of services or goods</b>		
Internet advertising business	<b>607,363</b>	838,859
User management SaaS platform business	<b>244,534</b>	191,884
Others	<b>54,616</b>	65,695
Total	<b>906,513</b>	1,096,438

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<u>Other income and gains</u>		
Interest income	<b>21,882</b>	27,912
Government grants*	<b>18,734</b>	26,400
Investment income from financial assets at fair value through profit or loss	<b>3,058</b>	3,363
Fair value gain, net:		
Financial assets at fair value through profit or loss	–	5,372
Foreign exchange differences, net	<b>351</b>	1,573
Gain on disposal of items of property, plant and equipment	<b>296</b>	–
Compensation income**	<b>7,052</b>	–
Others	<b>1,363</b>	822
Total other income and gains	<b>52,736</b>	65,442

\* The amount represents grants received from the government authorities of Chinese Mainland by the Group's subsidiaries in connection with certain financial support to local business enterprises for the purpose of encouraging business development and additional deductions of input value-added tax. There are no unfulfilled conditions or contingencies relating to these grants.

\*\* The amount represents compensation received from remediation settlement.



## 5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold		192,690	129,668
Cost of services provided		584,361	722,298
Depreciation of property, plant and equipment		1,632	4,510
Depreciation of right-of-use assets		3,227	7,208
Amortisation of intangible assets*		340	676
Interest income	4	(21,882)	(27,912)
Foreign exchange differences, net		(351)	(1,573)
(Gain)/loss on disposal of items of property, plant and equipment		(296)	256
Loss on termination of leases		–	244
Share of losses of associates, net of tax		2,970	891
Impairment of intangible assets**		1,995	2,472
Impairment of financial assets, net:			
Impairment of trade receivables, net		15,094	26,287
(Reversal) impairment of other receivables, net		(119)	119
Impairment of other assets, net		7,802	–
Total		<u>22,777</u>	<u>26,406</u>
Fair value loss**/(gain), net:			
Unlisted equity investments		41	129
Other unlisted investments		275	(5,501)
Total		<u>316</u>	<u>(5,372)</u>
Investment income from financial assets at fair value through profit or loss	4	(3,058)	(3,363)
Research and development costs		30,861	44,739
Lease payments not included in the measurement of lease liabilities		3,600	1,265
Auditor's remuneration		1,900	2,630
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		93,891	126,345
Equity-settled share award and option expense		2,083	3,990
Pension scheme contributions (defined contribution scheme)***		9,925	5,901
Staff welfare expense		1,982	25,143
Total		<u>107,881</u>	<u>161,379</u>

\* The amortisation of intangible assets for the year is included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

\*\* The impairment of intangible assets and fair value loss of financial assets at fair value through profit or loss, net are included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. INCOME TAX

The major components of income tax charge of the Group during the year are analysed as follows:

	2024 RMB'000	2023 RMB'000
Charge for the year	2,374	2,058
Deferred tax	(108)	2,875
Total tax charge for the year	<u>2,266</u>	<u>4,933</u>

A reconciliation of the tax charge applicable to (loss)/profit before tax at the statutory rate to the tax charge at the effective tax rate is as follows:

	2024 RMB'000	2023 RMB'000
(Loss)/profit before tax	<u>(37,195)</u>	<u>35,383</u>
Tax at the tax rate of 25%	(9,299)	8,846
Effect of tax rate differences in other jurisdictions	(608)	(2,074)
Effect of preferential lower tax rates entitled	4,655	(12,046)
Additional deduction allowance for research and development costs	(6,070)	(6,685)
Expenses not deductible for tax	4,380	12,043
Tax effect of share of results of associates	776	223
Under provision in prior years	764	–
Tax losses utilised from previous periods	(2,605)	(2,920)
Tax losses not recognised	11,578	8,494
Income not subject to tax	<u>(1,305)</u>	<u>(948)</u>
Tax charge at the Group's effective rate	<u>2,266</u>	<u>4,933</u>

## 7. DIVIDENDS

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

## 8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year. The number of shares for the years ended 31 December 2024 and 2023 have been arrived at after eliminating the shares of the Company held under the restricted stock unit and restricted stock unit options.

	2024 RMB'000	2023 RMB'000
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent	<u>(39,461)</u>	<u>30,450</u>
	<b>Number of shares</b>	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	<u>1,063,918,250</u>	<u>1,058,004,500</u>

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the restricted stock unit and restricted stock unit option outstanding had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

## 9. TRADE RECEIVABLES

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	<b>785,455</b>	390,629
Impairment	<b>(61,672)</b>	(46,578)
Net carrying amount	<b>723,783</b>	344,051

Trade receivables are non-interest-bearing and the credit period is generally 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	<b>354,265</b>	118,614
31 to 90 days	<b>178,194</b>	141,794
91 to 180 days	<b>47,071</b>	53,544
181 to 365 days	<b>129,118</b>	23,569
1 to 2 years	<b>15,135</b>	6,530
Total	<b>723,783</b>	344,051

## 10. TRADE PAYABLES

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<b>82,207</b>	63,419

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction date, is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 180 days	<b>51,571</b>	35,676
181 to 365 days	<b>3,555</b>	7,421
1 to 2 years	<b>6,897</b>	8,016
2 to 3 years	<b>8,028</b>	4,386
Over 3 years	<b>12,156</b>	7,920
Total	<b>82,207</b>	63,419

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Company is a leading user management Software-as-a-Service (“SaaS”) service provider and internet advertising (“**Internet Advertising**”) platform operator in China. It provides full-cycle operation services in user acquisition, activity retention and monetization for tens of thousands of customers in financial, internet and other industries.

#### 1. User Management SaaS Platform Business

Our user management SaaS platform is designed to help businesses attract and retain online users in a cost-effective manner, by offering various fun and engaging user management tools (including reward point/membership management, gamification user management, e-commerce live streaming for bank credit cards, enterprise marketing tool via WeChat, and financial industry live streaming) to boost mobile App user activity and participation on Apps.

As at 31 December 2024, the number of paying customers who used our charged user management SaaS services decreased to 631 (2023: 693), including 199 customers from financial industry (2023: 248) and 432 customers from other industries (2023: 445). For the year ended 31 December 2024, the number of newly signed contracts (including renewed contracts) for the Group’s user management SaaS platform business reached 375 (2023: 368). The total value of our newly signed contracts (including renewed contracts) in 2024 was approximately RMB129.4 million (2023: approximately RMB89.2 million), and the average charge per signed contract was approximately RMB345,000.

In the meantime, our user management SaaS platform business in the second half of 2024 still maintained a growth as compared to the first half of 2024. The total value of our newly signed contracts (including renewed contracts) in the second half of 2024 reached RMB53.9 million. The revenue generated from user management SaaS platform business in the second half of 2024 was RMB127.6 million, representing an increase of approximately 9.1% over the first half of 2024 (first half of 2024: RMB117.0 million).

The following table sets forth the financial performance of user management SaaS platform business for the years indicated:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Revenue	<b>244,534</b>	191,884
Cost of sales	<b>(193,773)</b>	(113,027)
Selling and distribution expenses	<b>(53,035)</b>	(75,331)
Administrative expenses (excluding research and development expenses)	<b>(30,886)</b>	(52,502)
Research and development expenses	<b>(19,320)</b>	(27,392)
	<hr/>	<hr/>
Total	<b>(52,480)</b>	(76,368)
	<hr/>	<hr/>

The following table sets forth a breakdown of our revenue from user management SaaS for the years indicated:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
User management SaaS solutions	<b>69,293</b>	79,393
Other value-added services	<b>175,241</b>	112,491
	<hr/>	<hr/>
Total	<b>244,534</b>	191,884
	<hr/>	<hr/>

## 2. Internet Advertising business

In 2015, the Group pioneered and launched its Internet Advertising business, which aggregated the traffic of different App scenarios, systematically managed content activities, and achieved large-scale monetization through advertisements, thereby achieving a win-win situation for each of the advertising customers, media providers and users. Advanced big data analytics and AI technology also provides robust support to the innovation and operations of our Internet Advertising platform. We generally charge our Internet Advertising customers based on the performance of advertisements. The majority of our revenue from our Internet Advertising business for the year ended 31 December 2024 was generated from the CPC (cost per click) model (the “**CPC Model**”). Under the CPC Model, we charged customers only if viewers interacted with our advertising tools and were directed to the mobile internet pages designated by the advertising customers.

For the year ended 31 December 2024, the revenue from our Internet Advertising business decreased by approximately 27.6% to RMB607.4 million (2023: RMB838.9 million).

The Group has made persistent efforts to upgrade its advertising technology capability and provide online automated and customized services to both content distribution channels and advertising customers through our Internet Advertising platform consisting of the media management platform and the smart advertising system.

## 3. Research and Development

As at 31 December 2024, the number of employees from our research and development department was 153 (2023: 144), accounting for approximately 31.0% (2023: 33.0%) of the Group’s total employees. The Group’s research and development expenses decreased by approximately 31.0% from RMB44.7 million in 2023 to RMB30.9 million in 2024.

## **FINANCIAL REVIEW**

In 2024, due to the impact of uncertainties in industry growth, advertising customers have become more inclined to tighten their future budgets. As a result, the scale of the Internet Advertising business has experienced a relatively significant contraction. Meanwhile, in order to provide advertisers with better advertising services, the Company continued to increase the proportion of purchasing high-quality platform traffic. Consequently, the costs of the Internet Advertising business have further increased, leading to a decline in profitability.

### **Revenue**

For the year ended 31 December 2024, the Group recorded a total revenue of RMB906.5 million (2023: RMB1,096.4 million), representing a decrease of approximately 17.3% as compared with the corresponding period of 2023. The decrease was mainly attributable to a decrease of approximately RMB231.5 million in revenue from our Internet Advertising business for the year ended 31 December 2024 as compared with the corresponding period of 2023, which reflects the apparent slump in the growth of the Internet Advertising business due to the tightening of advertising customers' future budgets under the trend of uncertainty in the growth of the industry.

The revenue generated from our user management SaaS platform business increased by approximately 27.4% to RMB244.5 million for the year ended 31 December 2024 as compared with the corresponding period of 2023, which was mainly due to the increase in the total amount of other value-added services in 2024.

In addition, the Group recorded a revenue of RMB448.2 million in the second half of 2024 (first half of 2024: RMB458.3 million), representing a decrease of approximately 2.2% as compared with the first half of 2024.

### **Gross Profit**

For the year ended 31 December 2024, the Group recorded a gross profit of RMB129.5 million (2023: RMB244.5 million), representing a decrease of approximately 47.0% as compared with the corresponding period of 2023. The gross profit margin was approximately 14.3% (2023: approximately 22.3%) and the classified gross profit margin of user management SaaS platform business and Internet Advertising business were approximately 20.8% and 12.4%, respectively. The decrease in gross profit was mainly due to the increase in advertising costs and the decrease in total revenue during the year ended 31 December 2024.

### **Selling and Distribution Expenses**

For the year ended 31 December 2024, the Group recorded selling and distribution expenses of RMB88.4 million (2023: RMB117.7 million), representing a decrease of approximately 24.9% as compared with the corresponding period of 2023, which was mainly due to the decrease in related costs of sales employees of the Group. Meanwhile, affected by this, selling and distribution expenses as a percentage of the total revenue decreased to approximately 9.8% (2023: approximately 10.7%).

## Administrative Expenses

For the year ended 31 December 2024, the Group recorded administrative expenses of RMB85.9 million, representing a decrease of approximately 25.8% as compared with RMB115.8 million for the corresponding period of 2023. Meanwhile, administrative expenses as a percentage of the total revenue decreased to approximately 9.5% (2023: approximately 10.6%), which was mainly due to the more stringent internal control of related expenses in 2024. The Group recorded research and development expenses of RMB30.9 million (2023: RMB44.7 million) and share-based payment of RMB2.2 million (2023: RMB5.1 million), respectively, for the year ended 31 December 2024.

## (Loss)/profit for the Year

Based on the above factors, the Group recorded a loss attributable to the owners of the parent of the Company of RMB39.5 million for the year ended 31 December 2024 (2023: a profit attributable to the owners of the parent of the Company of RMB30.5 million), and the basic loss per share was RMB3.7 cents (2023: basic earnings per share of RMB2.9 cents).

## Non-HKFRS Measure

To supplement our consolidated financial statements which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), we also use a non-HKFRS measure, adjusted (loss)/profit for the year, as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that we do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

The following table reconciles our adjusted (loss)/profit for the year presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(Loss)/profit for the year	<b>(39,461)</b>	30,450
Add:		
Share-based payment	<b>2,210</b>	5,080
<b>Adjusted (loss)/profit for the year<sup>(1)</sup></b>	<b>(37,251)</b>	<b>35,530</b>

- (1) We define “adjusted (loss)/profit for the year” as (loss)/profit for the year adding back share-based payment. Adjusted (loss)/profit for the year is not a measure required by or presented in accordance with HKFRSs. The use of adjusted (loss)/profit for the year has limitations as an analytical tool and should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.



For the year ended 31 December 2024, the Group recorded an adjusted loss of RMB37.3 million (2023: adjusted profit of RMB35.5 million).

### **Cash Flows**

For the year ended 31 December 2024, our net cash outflow used in operating activities was RMB537.0 million (2023: net cash outflow of RMB297.1 million), and such change was primarily due to the increase in trade receivables for the year ended 31 December 2024. Our net cash inflow from investing activities was RMB348.8 million (2023: net cash inflow of RMB24.4 million), and such change was mainly due to the maturity of certain wealth management products on 31 December 2024. Our net cash inflow from financing activities was RMB176.7 million (2023: net cash inflow of RMB299.1 million), and such change was mainly due to the increase in the bank borrowings of the Group for the year ended 31 December 2024.

### **Gearing Ratio**

The Group monitors capital using a gearing ratio, which is calculated by net debt divided by total capital and net debt. Net debt includes interest-bearing bank borrowings, trade payables and other payables and accruals, less cash and cash equivalents.

As at 31 December 2024, the gearing ratio was approximately 35.9% while the ratio was approximately 25.7% as at 31 December 2023.

### **Liquidity and Capital Structure**

During the year ended 31 December 2024, the daily working capital of the Group was primarily derived from internally generated cash flow from operating activities and bank borrowings. As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB280.8 million (as at 31 December 2023: approximately RMB288.5 million). As at 31 December 2024, the Group had interest-bearing bank borrowings of RMB667.2 million and are expected to mature within 1 year.

### **Foreign Exchange Risk Management**

The Group has transactional currency exposures. Such exposures arise from the issue of share in currencies different from the operating units' functional currencies. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, the management of the Company constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

## **Material Acquisitions, Disposals of Subsidiaries, Associates and Joint Ventures, Significant Investment**

As of 31 December 2024, the Group held a total of 19.0% equity interest in Zhejiang Gushang Intelligent Technology Co., Ltd.\* (浙江谷尚智能科技有限公司) (“**Gushang Intelligent Technology**”) through a wholly-owned subsidiary of the Company, Hangzhou Keze Network Technology Co., Ltd.\* (杭州可澤網絡科技有限公司), with an aggregate carrying value of RMB231.6 million. The principal activities of Gushang Intelligent Technology include the construction of buildings and parking lots on a land parcel located in the Hangzhou Zijingang Science and Technology Town (the “**Project**”). As of 31 December 2024, the carrying amount of the investment in Gushang Intelligent Technology represented approximately 9.8% of the total assets of the Group. For details, please refer to the announcements of the Company dated 19 June 2020 and 24 June 2020. As at the date of this announcement, Gushang Intelligent Technology is an associate of the Group. During the year ended 31 December 2024, the Project was completed and the Group did not receive any dividend. Save as disclosed above, as at the date of this announcement, there were no (i) material acquisitions, disposals of subsidiaries, associates and joint ventures; and (ii) significant investment of the Group for the year ended 31 December 2024.

## **Future Plans for Material Investment or Capital Assets**

Save as disclosed in this announcement, as of 31 December 2024, the Group had no concrete plans to make any material investment or acquire capital assets other than in the Group’s ordinary course of business.

## **Contingent Liabilities**

Hengfei Holding Limited (the “**Plaintiff**”) has commenced proceedings against the Company and Mr. Chen Xiaoliang (a shareholder of the Company (the “**Shareholder(s)**”) and an executive Director), in respect of the allegations that the Company and Mr. Chen Xiaoliang have wrongfully retained, delayed in returning and failed/refused to return the Plaintiff’s share certificate of shares in the Company, resulting in losses. According to the Plaintiff’s latest pleadings, the maximum amount of the claim is approximately HK\$61,000,000. The Directors believe, based on the evidence and information currently available, and the Group’s legal counsel is of the view that, the Company has a number of valid defence arguments against the claim and even if the Plaintiff’s case succeeds on liability, the potential quantum would be determinable by reference to a few factors, such as the date of the alleged conversion and the range of expert’s respective assessment, therefore it would be extremely difficult to make any assessment for the amount of the claim reliably at this stage. Accordingly, no provision arising from the claim, other than the related legal and other costs, has been provided for as of 31 December 2024.

## **Charge on Assets**

As at 31 December 2024, the Group recorded pledged deposits of RMB379.5 million as security for interest-bearing bank borrowings (as at 31 December 2023: RMB367.2 million).

## **Subsequent Event**

There are no significant events that require additional disclosure or adjustments occurred after 31 December 2024.

## **ORGANIZATION AND TALENT RETENTION**

As at 31 December 2024, the Group's workforce was 493 (as at 31 December 2023: 437), including 75 sales employees, 56 administration employees, 209 operation employees and 153 research and development employees. Employees benefit expenses were approximately RMB129.7 million for the year ended 31 December 2024 (2023: approximately RMB166.5 million). Identification and development of high potential talents have been listed as a top priority for the management of the Company this year. Moreover, the Group may provide incentives to talents by granting them with share options and share awards of the Company. The remuneration of employees was determined based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. The Group provided trainings to staff based on their job duties and functions.

## **SOCIAL RESPONSIBILITY**

During the year ended 31 December 2024, the Group upheld the principle of “serving the people and giving back to the society” and actively sought opportunities to give back to the society in order to create a better living environment for the local communities. During the year ended 31 December 2024, the Group made donations of teaching materials to Hangzhou Normal University.

## **FUTURE OUTLOOK**

Facing the complexity of the global economic environment and profound transformations in the competitive landscape of the industry, the Company will focus on the structural optimization of its advertising business and the upgrade of digital service capabilities, vigorously building core competitiveness for sustainable development. The Company will continue to commit to delivering innovative digital marketing solutions and efficient services to customers, in order to adapt to the ever-changing market demands.

Looking ahead to 2025, in terms of team development, the Company will focus on attracting and cultivating more outstanding talents to enhance the overall strength and innovation capabilities of the team, enabling better responses to market and technological challenges. In terms of technology research and development, the Company will continue to increase research and development investments, specifically in the fields of artificial intelligence and big data analytics, to enhance our service quality and efficiency. By leveraging differentiated service capabilities and compliant operational strategies, the Company aims to continuously create long-term value for customers and achieve sustainable development.

## **DIVIDEND**

The Board did not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 23 May 2025 to Friday, 30 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the annual general meeting of the Company (the “**AGM**”) to be held on Friday, 30 May 2025, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 22 May 2025.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code of corporate governance.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should be performed by different individuals.

At present, the roles of the chairman of the Board and the chief executive officer of the Company are performed by Mr. Chen Xiaoliang. The Board believes that Mr. Chen Xiaoliang should continue to assume the responsibilities of the chairman of the Board and the chief executive officer of the Company as this arrangement will improve the efficiency of our decision-making and execution process given his familiarity with the Group.

During the daily operations of the Company, all material decisions are approved by the Board and the relevant Board committees, as well as the senior management team of the Company. In addition, the Directors proactively participate in all Board meetings and all relevant Board committee meetings, and the chairman of the Board and relevant chairman of the board committees of the Board ensures all the Directors are duly informed of all the matters to be approved at the meetings. In addition, the senior management team of the Company provides the Board with sufficient, clear, complete and reliable company information on a regular basis and from time to time. The Board also regularly meets and reviews the operations of the Company under the leadership of Mr. Chen Xiaoliang on a quarterly basis.

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. The dual roles of Mr. Chen Xiaoliang have no effect on the balance of power and authority between Board and the senior management team of the Company. The Board will continue to regularly monitor and review the Company's current corporate governance structure and to make necessary changes when appropriate.

The Board resolved to appoint Ms. Yang Jiaqing as a non-executive Director on 20 March 2024. With the appointment of Ms. Yang Jiaqing, the Company has complied with the requirement of diversity of board members under Rule 13.92 of the Listing Rules. For details, please refer to the announcements of the Company dated 22 December 2023, 6 March 2024 and 20 March 2024.

Save as disclosed above, the Company has complied with all applicable code provisions of the CG Code for the year ended 31 December 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code and the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the year ended 31 December 2024.

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

During the year ended 31 December 2024, neither the Company nor its subsidiaries or consolidated affiliated entities has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares (as defined in Rule 1.01 of the Listing Rules), if any). As of 31 December 2024, the Company did not hold any treasury shares.

## **AUDIT COMMITTEE**

The Board has established the audit committee which is chaired by an independent non-executive Director, Mr. Kam Wai Man, and consists of two other independent non-executive Directors, Dr. Gao Fuping and Dr. Shi Jianxun (the “**Audit Committee**”). The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors.

The Audit Committee, together with management of the Company, has reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2024.

## SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of the Company, Confucius International CPA Limited, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The financial information set out in this announcement has been reviewed by the Audit Committee and approved by the Board.

## EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract from audited financial report of the Group prepared by Confucius International CPA Limited, the auditor of the Company, for the year ended 31 December 2024.

### Qualified Opinion

We have audited the consolidated financial statements of Duiba Group Limited (the **"Company"**) and its subsidiaries (the **"Group"**) which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects of the matters described in the **"Basis for Qualified Opinion"** section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (**"HKFRSs"**) issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Qualified Opinion

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by other auditor (the **"Predecessor Auditor"**), who expressed a qualified opinion on those financial statements on 28 March 2024. For an unlisted British Virgin Islands fund (the **"BVI Fund"**) of RMB80,358,000 as **"Financial assets at fair value through profit or loss"** as at 31 December 2023, and recorded a fair value gain of RMB871,000 for the year then ended. As disclosed in the annual report of the Company for the year ended 31 December 2023, the Predecessor Auditor was unable to obtain sufficient reliable audit evidence to substantiate the commercial substance and nature of the payments for the BVI Fund. They were unable to determine the appropriate accounting impact of these payments, including classification, valuation, recoverability, and related disclosures consequently.



Any adjustments to the figure as described above might have a consequential effect on the financial position of the Group as at 31 December 2023 presented as comparative figures in these consolidated financial statements and hence affect the comparability of the current year's figures and the corresponding figures.

These amounts were fully redeemed during the year ended 31 December 2024. In respect of the consolidated financial statements of the Group for the year ended 31 December 2024, the scope limitations of the financial assets at fair value through profit or loss no longer have possible effects on the figures presented in the consolidated statement of financial position of the Group as at 31 December 2024. However, we were unable to obtain sufficient appropriate audit evidence regarding the classification, valuation, recoverability, and related disclosures of financial assets at fair value through profit or loss as at 31 December 2023. Any adjustments to be found necessary might have a consequential effect on the Group's result and cash flows for current and prior year, and related disclosures in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **PUBLICATION OF THE ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.duiba.cn>), respectively, and the 2024 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**DUIBA GROUP LIMITED**  
**Chen Xiaoliang**  
Chairman

Hangzhou, China, 31 March 2025

*As at the date of this announcement, the Board comprises Mr. Chen Xiaoliang, Mr. Zhu Jiangbo and Mr. Cheng Peng as executive Directors, Ms. Yang Jiaqing as non-executive Director, and Mr. Kam Wai Man, Dr. Gao Fuping and Dr. Shi Jianxun as independent non-executive Directors.*

\* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*