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## **Qunabox Group Limited**

**趣致集團**

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

**(Stock Code: 0917)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024**

#### **ANNUAL RESULTS HIGHLIGHTS**

	<b>For the year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>Year-on-year</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>change</b>
			<b>%</b>
Revenue	<b>1,339,500</b>	1,006,697	33.1
– Marketing services	<b>1,097,443</b>	807,971	35.8
– Merchandise sales	<b>184,614</b>	144,320	27.9
– Other services	<b>57,443</b>	54,406	5.6
Gross profit	<b>749,787</b>	535,267	40.1
Adjusted profit (a non-IFRS measure) <sup>(1)</sup>	<b>251,176</b>	200,708	25.1
Adjusted EBITDA (a non-IFRS measure) <sup>(2)</sup>	<b>339,718</b>	280,242	21.2

*Notes:*

- (1) Adjusted profit (a non-IFRS measure) is defined as profit or loss for the year by adding back the effects of (i) fair value losses on financial liabilities at FVTPL offset by fair value gains on financial assets at FVTPL; (ii) Stock Incentive Plan expense; and (iii) Listing expenses. Fair value losses on financial liabilities at FVTPL represent fair value losses relating to convertible redeemable preferred shares issued in our equity financings.
- (2) Adjusted EBITDA (a non-IFRS measure) is defined as adjusted profit (a non-IFRS measure) for the year by adding back the effects of income tax expense, finance costs, bank interest income, and depreciation and amortization charges.

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2024 (the “**Reporting Period**”). The contents of this annual results announcement have been prepared in accordance with applicable disclosure requirements under the Listing Rules in relation to preliminary announcements of annual results.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Performance Review**

In 2024, China’s economy sustained its growth at a stable pace, with the Gross Domestic Product (GDP) exceeding RMB130 trillion, representing a year-on-year growth of 5.0%. Despite facing certain headwinds, the domestic consumption market continued to show a steady development trend, supported by a series of incremental policy measures. The food and beverage sector, which is the core service of the Group and essential to people’s livelihoods, demonstrated remarkable resilience, with total retail sales in this sector increasing by 8.8% year-on-year. This industry has long-term and stable marketing demands. The new energy vehicles and household appliances sectors, newly positioned by the Group, have demonstrated strong growth momentum, driven by the trend of intelligent upgrading and supported by the national trade-in subsidy policy. The sales volume of the new energy vehicles achieved a year-on-year increase of 35.5%, and the gross sales of the household appliances and audio-visual equipment achieved a year-on-year increase of 12.3%. Driven by this, the marketing demands of related industries have grown rapidly.

On the other hand, with the rapid development and popularization of various domestic AI large models represented by DeepSeek, the integration of the marketing industry with AI and big data technologies is becoming increasingly profound. Its empowerment of the industry has evolved from marketing content creation and efficiency enhancement of placement and operations to revolutionizing marketing interaction modes and advancing the intelligence of offline marketing carrier. AI has now become an important engine driving the development of new-quality productive forces in the marketing industry, steering the entire industry towards greater efficiency and personalization. On the demand side, brand owners are demonstrating a growing acceptance and recognition of AI + marketing, the application scenarios are increasingly expanding, and the market demand is currently showing a trend of rapid growth.

As China’s leading AI interactive marketing service provider, the Group continuously increases investment in fields such as AI interaction, promotes the innovation of software and hardware technologies and services, enriches the product portfolio of the Group’s AI interactive marketing services, expands the application scenarios of related service products, and accelerates the commercial implementation of the first-developed AI + marketing model. The Group has consistently embraced the mission of “simplify brand incubation and deliver unparalleled enjoyment”, providing brand customers with comprehensive marketing solutions that use AI interactive terminals as the touchpoints, seamlessly integrate both online and

offline channels, and are suitable for a variety of scenarios. At the same time, the Group also actively responds to the national call for developing the debut economy, comprehensively assists enterprises in incubating new products with AI interactive marketing services which are efficient and innovative as well as rich data strategy products, striving to become a key driving force in the development of the industry.

During the Reporting Period, the Group maintained a good growth momentum by the diversified expansion of the service industry, the enhanced development and conversion of high-margin products such as AI interactive marketing, the expanded collaboration scope with customers and efficient operations. The Group recorded revenue of RMB1,339.5 million during the Reporting Period, representing a year-on-year increase of 33.1%; the gross profit increased to RMB749.8 million, representing a year-on-year growth of 40.1%. From 2021 to 2024, the Group continuously achieved double-digit growth in both revenue and gross profit with a compound annual growth rate of 38.7% and 29.5%, respectively.

During the Reporting Period, adjusted earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) totaled RMB339.7 million, representing a year-on-year increase of 21.2%, which was mainly influenced by the Group’s increased investment in R&D in the fields of AI interaction and big data to construct technological barriers and enhance its long-term profitability.

As of December 31, 2024, the Group was in a strong financial position with cash and cash equivalents amounting to RMB892.0 million, reflecting the stability of the financial position and the adequacy of liquidity.

## **Business Segment Performance**

### ***Marketing Services***

During the Reporting Period, the revenue from this segment reached RMB1,097.5 million, representing a year-on-year increase of 35.8%; the gross profit was RMB679.5 million, representing a year-on-year increase of 41.7%. Among them, the revenue from the standard marketing services reached RMB919.7 million, representing a year-on-year increase of 32.9%, with a gross profit margin of 56.5%; the revenue from the value-added marketing services, which include customized AI interactive marketing services and data strategy services, reached RMB177.8 million, representing a year-on-year increase of 53.5%, with a gross profit margin of 90.1%.

**The Group's business growth is primarily driven by the high-quality, stable and diversified brand customer base and the continuously expanding service scope.**

During the Reporting Period, relying on its innovative and efficient business model, strong service capabilities, solid industry reputation and dedicated efforts of the team, the Group not only maintained good cooperative relationships with existing customers, but also further expanded its service scope to the new energy vehicle and household appliance industries which have high development potential and are strongly supported by policies. During the Reporting Period, the number of brand customers served by the Group further increased to 294, and the number of KA customers increased to 50.

At the same time, the Group delved deep into unlocking the potential of high-quality customers. By enriching AI interactive marketing and data strategy products, expanding the application scenarios of services, and optimizing the marketing product portfolio and service model, the Group further expanded the scope of cooperation with KA customers. During the Reporting Period, the average revenue per KA customer increased to RMB18.0 million, representing a year-on-year increase of 30.1%.

**Substantial investment in technological R&D and innovation, as well as continuous data accumulation, serve as the cornerstone for the Group to continuously enhance the competitiveness of our products and services in the industry.**

In terms of technological R&D and innovation, as China's leading AI interactive marketing service provider, the Group significantly increased its effort to the development of AI interactive marketing and data products during the Reporting Period. The R&D investment increased by 44.7% year-on-year compared to last year, yielding fruitful technological achievements and product conversions.

During the Reporting Period, the Group launched and successfully commercialized several AI interactive and big data products, including: **(i) digital human shopping guide based on AI large language models:** the Group utilized the scenario data, product data and registered user data accumulated during the business process to conduct targeted training and optimization of the general large language model, enabling it to better meet the needs of the marketing industry. Leveraging this technological achievement and the edge computing capabilities inherent in the Group's AI interactive marketing terminals, we successfully deployed digital human shopping guides empowered by AI large language models and marketing capabilities offline. These shopping guides can provide highly personalized product recommendations based on the specific scenarios, and needs and profiles of users, further enriching the mode of AI interactive marketing, expanding the advertising sales resources of the offline AI interactive marketing terminals, and providing users with more novel and interesting marketing experiences; **(ii) AI tactile interaction:** based on the original visual, auditory, olfactory and motor capabilities, the Group further expanded the multi-sensory interaction capabilities of

the AI interactive marketing terminals to the sense of touch, driving their evolution towards full-sensory interaction. This brings users a more immersive and comprehensive marketing experience and provides brands with more options for innovative marketing activities; **(iii) AI emotion recognition:** the Group successfully expanded the application of emotion recognition technology in AI interactive marketing terminals. This technology can dynamically identify various emotions expressed by users, leading the industry in facial feature recognition and micro-expression dynamic assessment. As a result, the interactive games of the Group can offer a superior experience for brand owners and consumers, and thus obtain a richer consumer behavior analytics; and **(iv) flavor database and pre-scoring service for beverages and snack food:** the Group continues to drive the value extraction of the platform data and the commercialization of data products. Through the integration and analysis of user feedback and sales data accumulated on the platform over the years, the Group has further enriched the industry database and launched a new flavor database and pre-scoring service of new products for beverages and snack food, aiming to help beverage and snack food brands quickly screen new flavors during their development phase, accelerate their R&D process, and increase the success rate.

During the Reporting Period, the products and services upgraded and optimized by the Group include: **(i) optimized olfactory interaction experience:** a visual atomization effect has been integrated into the scent diffusion module of the AI interactive marketing terminal, making scent emission more intuitive and enhancing the immersive experience for users; **(ii) upgraded and extended applications of scent emission, movement recognition and voice interaction:** by encouraging technical experts to deeply engage in the business practice of marketing activities design, the Group has successfully expanded the application scenarios and ranges for multi-sensory AI interactions, such as scent emission, movement recognition and voice interaction, optimized the interaction methods with consumers, and improved the adaptability to brand marketing activities; and **(iii) flexibility in combining standard marketing services and value-added marketing service modules:** leveraging our continuously enhanced technical and operational capabilities, the Group has been continuously advancing the modularization of the marketing system, enhancing the flexible combination ability among various service modules of standard marketing services and value-added marketing services, improving the business synergy and the comprehensive marketing effect, and strengthening our market competitiveness.

In terms of patents and copyrights, the Group has also achieved remarkable results. During the Reporting Period, the number of software copyrights registered in China increased to 127, and 10 new patent applications were submitted, both of which have built a solid technical barrier for the Group and further enhanced our market competitive strengths. Meanwhile, the entire system of the Group has passed the 2024 annual assessment of the National Hierarchical Protection of Information Security (Level III) and continues to obtain the relevant qualification certificates. Moving forward, the Group will continue to meet the regulatory requirements and improve the level of information security and credibility.

**The continuous growth in the effectiveness of the Group's AI interactive terminal network, coupled with the team with rich industry experience are important guarantees for the Group to achieve an efficient business model and possess robust service capabilities.**

During the Reporting Period, the Group has continued to enhance its efficiency of AI interactive terminal network. By organizing a team with rich industry experience to review city heat maps and development plans, conduct on-site visits to observe the population density and daily foot traffic, changes in the behavior of target consumers in the areas where the terminals are located, and take into account the characteristics of selected sites, the Group optimized the layout of the AI interactive terminal network, in order to enhance its ability to empower brand owners to strengthen their market influence and brand value, enhance their consumer acquisition capabilities, and obtain accurate, authentic and prompt consumer feedback. As a result, the marketing revenue per terminal significantly increased during the Reporting Period. In addition, by applying AI large language model, the Group has achieved automated analysis and digital processing of assets and related contract information, and has continued to improve the basic information platform, further integrated the information of the entire platform and achieved cross-platform and cross-system data integration and information sharing, thereby enhancing the operation automation capability and average employee productivity and significantly improving the efficiency of internal processes.

### ***Merchandise Sales***

During the Reporting Period, revenue from this segment amounted to RMB184.6 million, representing a year-on-year increase of 27.9%, and gross profit amounted to RMB43.7 million, representing a year-on-year increase of 47.1%.

During the Reporting Period, the growth in revenue and profit from the merchandise sales business was attributed to: (i) the full recovery of offline foot traffic in 2024 and the increase in consumers' demand for food and beverage consumption; (ii) significantly increasing the density of terminal network sites in high-potential cities such as Hangzhou, Chengdu and Chongqing; (iii) optimizing the product portfolio and increasing the variety and stock quantity of high-margin products; and (iv) leveraging the intelligent operation system to accurately identify locations with lower price-sensitivity, and replacing discount promotion activities with more entertaining interactive marketing activities to further enhance the profitability of the terminals.

### ***Other Services***

During the Reporting Period, revenue from this segment amounted to RMB57.4 million, representing a year-on-year increase of 5.6%, and gross profit amounted to RMB26.6 million, representing a year-on-year increase of 2.3%.



Other services mainly comprise IT system development and software development services, which are the auxiliary business segments of the Group. In light of the Group's strategic orientation of fully focusing on its core business, during the second half of 2024, the Group's technological R&D team shifted its focus entirely to the development of products and technologies of AI interaction and big data that support the core marketing business. As a result, the Group reduced the undertaking of projects in non-core areas to ensure that resources are concentrated on enhancing the technological innovation capabilities and market competitiveness of the core business.

## **Long-Term Strategies and Outlook**

Looking forward to 2025, with the increased policy support for the consumption industry and the growing influence of new-quality productive forces represented by AI and industrial robots in empowering China's economy, the optimization and upgrading of the consumption industry are expected to accelerate, injecting new impetus and growth potential into the market. The marketing industry is also expected to benefit from this and obtain new development opportunities.

As China's leading AI interactive marketing service provider, the Group will continue to increase its investment in the field of AI interaction to provide more innovative and efficient one-stop marketing solutions for global brand customers, and also offer more innovative and interesting AI interactive experiences for global consumers. We hope that through these efforts, we can not only promote the rapid development of the Group itself, but also introduce more innovative practices to the entire industry.

In addition, the Group will also actively promote the strategic layout of internationalization and diversification, accelerate the exploration of the Middle East and Singapore markets, and initiate strategic business mergers and acquisitions based on the Company's ecosystem to further integrate resources and expand the synergistic effects across business sectors, thereby achieving high-quality diversified development and establishing a comprehensive ecosystem of brand services.

In terms of internal management, the Group will also continuously improve network efficiency and operational capabilities, enhance the support of AI algorithms and big data technologies for the business, and continue to adhere to leveraging technology to empower operations, thus continuously improving overall efficiency.

Through the strategies above, we aim to achieve the long-term sustainable development of the Group, while also driving the innovation and development of the industry, thereby creating greater value for our Shareholders.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased from RMB1,006.7 million for the year ended December 31, 2023 to RMB1,339.5 million for the year ended December 31, 2024, representing a year-on-year increase of 33.1%.

The increase was mainly attributable to several key factors: (i) China's economy experienced steady growth in 2024, along with supportive policies for the consumption market and the development of industries the Group served; (ii) the Group further expanded the service scope into new energy vehicles and household appliances industries, both of which have high development potential, driving continuous increase in the number of brand customers, and achieving high-quality and diversified expansion of the brand customer base; (iii) through substantial investment in technological R&D and innovation, the Group promoted the development and conversion of high-margin products such as AI interactive marketing and data products, continuously enriching the product line, developing application scenarios, and broadening its cooperation with high-quality brand costumers to promote the sustained growth in average revenue per KA customer; and (iv) the Group continuously enhanced the effectiveness of its AI interactive terminal network, increased the density of terminal network sites in high-potential cities, and drove the continuous growth of merchandise sales business through optimization of product selection and operational strategies.

### Revenue by Business Segment

The Group generates revenue primarily from (i) marketing services, which further consisted of (a) standard marketing services and (b) value-added marketing services; (ii) merchandise sales; and (iii) other services. The table below sets forth a breakdown of our revenue by business segment for the years indicated:

	Year ended December 31, 2024			Year ended December 31, 2023		
	Revenue	Gross profit	Percentage	Revenue	Gross profit	Percentage
	RMB'000	margin %	%	RMB'000	margin %	%
Marketing services	1,097,443	61.9	81.9	807,971	59.4	80.3
– Standard marketing services	919,690	56.5	68.6	692,195	55.0	68.8
– Value-added marketing services	177,753	90.1	13.3	115,776	85.3	11.5
Merchandise sales	184,614	23.7	13.8	144,320	20.6	14.3
Other services	57,443	46.4	4.3	54,406	47.8	5.4
Total	<u>1,339,500</u>	<u>56.0</u>	<u>100.0</u>	<u>1,006,697</u>	<u>53.2</u>	<u>100.0</u>



*(1) Marketing Services*

Revenue generated from marketing services increased from RMB808.0 million for the year ended December 31, 2023 to RMB1,097.4 million for the year ended December 31, 2024, representing a year-on-year increase of 35.8%. This increase was primarily due to the business growth in both standard marketing services and value-added marketing services.

Among them, revenue from standard marketing services increased from RMB692.2 million for the year ended December 31, 2023 to RMB919.7 million for the year ended December 31, 2024, representing a year-on-year increase of 32.9%. The growth was mainly attributable to the Group's continuous enhancement of its service and operational capacity, which enabled the Group to flexibly respond to the changing market demands and industry trends, thereby maintaining a stable and quality customer base. At the same time, the Group continued to optimize its marketing product portfolio and service model to enhance service quality and customer experience, including providing richer AI interactive marketing and data strategy products, expanding wider service application scenarios, providing more efficient operation support and more in-depth customer demand exploration, so as to enhance customer stickiness and promote the continuous growth in contribution value of each customer. The number of the Group's KA customers who purchased standard marketing services increased from 47 for the year ended December 31, 2023 to 50 for the year ended December 31, 2024, and the Group's average revenue per KA customer that purchased standard marketing services increased from RMB11.8 million to RMB15.0 million.

Revenue from value-added marketing services increased from RMB115.8 million for the year ended December 31, 2023 to RMB177.8 million for the year ended December 31, 2024, representing a year-on-year increase of 53.5%. The growth was mainly attributable to the Group's continuous investment in the areas of AI interactive marketing and data strategy products, which have achieved significant results in the R&D of related technologies and realized effective conversions, such as digital human shopping guide based on AI large language models, AI tactile interaction, AI emotion recognition, a flavor database and pre-scoring service for beverages and snack food, etc. These technological achievements have effectively strengthened the competitiveness of the Group's value-added marketing services in the industry by enhancing the novelty and engagement of the user experience, expanding the interaction capability between AI interactive marketing terminals and users, improving the Group's industry database and leverage insights to better meet customer needs, and promoting the increase of the value contribution of each customer, thus fostering a virtuous cycle of mutual reinforcement between technology and commercial value. The number of the Group's customers who purchased value-added marketing services increased from 79 for the year ended

December 31, 2023 to 83 for the year ended December 31, 2024, and the Group's average revenue per KA customer that purchased value-added marketing services increased from RMB3.3 million to RMB5.2 million.

(2) *Merchandise Sales*

Revenue from merchandise sales increased from RMB144.3 million for the year ended December 31, 2023 to RMB184.6 million for the year ended December 31, 2024, representing a year-on-year increase of 27.9%. The growth was primarily driven by the combination of a full recovery in offline traffic and a rebound in consumer demand in 2024. Meanwhile, the Group optimized its terminal network layout by focusing on increasing the density of network sites in high-potential cities such as Hangzhou, Chengdu and Chongqing, and utilized intelligent operating systems to analyze the features of each site, and formulated differentiated marketing strategies precisely, effectively improving the efficiency of sales conversion and driving the growth of revenue from merchandise sales.

(3) *Other Services*

Revenue generated from other services increased from RMB54.4 million for the year ended December 31, 2023 to RMB57.4 million for the year ended December 31, 2024, representing a year-on-year increase of 5.6%.

Other services mainly comprise IT system development and software development services, which are the auxiliary business segments of the Group. In light of the Group's strategic orientation of fully focusing on its core business, during the second half of 2024, the Group's technological R&D team shifted its focus entirely to the development of products and technologies of AI interaction and big data that support the core marketing business. As a result, the Group reduced the undertaking of projects in non-core areas to ensure that resources are concentrated on enhancing the technological innovation capabilities and market competitiveness of the core business.

**Cost of Sales**

Cost of sales increased by 25.1% from RMB471.4 million for the year ended December 31, 2023 to RMB589.7 million for the year ended December 31, 2024. The increase was primarily due to (i) an increase in information technology service fees from RMB263.3 million for the year ended December 31, 2023 to RMB373.4 million for the year ended December 31, 2024, primarily due to an increase in the sales of corresponding marketing services; and (ii) an increase in costs of inventories sold from RMB118.8 million for the year ended December 31, 2023 to RMB140.4 million for the year ended December 31, 2024, which was mainly due to the increase in sales of corresponding merchandise.

Benefiting from the efficient cost control measures implemented by the Group during the stable operation phase, although the cost of sales increased, its growth rate was lower than that of the revenue, supporting the continuous improvement of its gross profit margin.

### **Gross Profit and Gross Profit Margin**

The Group's gross profit increased by 40.1% from RMB535.3 million for the year ended December 31, 2023 to RMB749.8 million for the year ended December 31, 2024, primarily due to the increase in the Group's revenue as well as the control of its cost of sales. Gross profit margin was 56.0% and 53.2% for the years ended December 31, 2024 and 2023, respectively. The increase in the gross profit margin was mainly due to the increase in the gross profit margins of marketing services and merchandise sales.

The gross profit generated from marketing services increased from RMB479.5 million for the year ended December 31, 2023 to RMB679.5 million for the year ended December 31, 2024, representing an increase of 41.7%, mainly due to the increase in revenue from marketing services. The gross profit margin of marketing services increased from 59.4% for the year ended December 31, 2023 to 61.9% for the year ended December 31, 2024, primarily attributable to the efficient cost control measures implemented by the Group during the stable operation phase, which further enhanced the overall profitability. These efficient cost control measures were reflected in (i) accurately controlling and analyzing the sales situation at each site through the intelligent operation system, and optimizing the network layout of AI interactive terminals to improve the efficiency of it; and (ii) decreasing allocation to redundant assets by enhancing the automation capabilities of operations to improve the efficiency of asset utilization.

The gross profit generated from merchandise sales increased from RMB29.7 million for the year ended December 31, 2023 to RMB43.7 million for the year ended December 31, 2024, representing an increase of 47.1%, mainly due to the increase in revenue from merchandise sales. The gross profit margin of merchandise sales increased from 20.6% for the year ended December 31, 2023 to 23.7% for the year ended December 31, 2024, mainly because the Group (i) optimized the product portfolio and increased the variety and stock quantity of high-margin products; and (ii) utilized the intelligent operation system to accurately identify sites with lower price-sensitivity, and replaced discount promotion activities with more entertaining interactive marketing activities to further enhance the profitability of the terminals.

The growth of both gross profit and gross profit margin indicated that the Group has achieved a good balance between revenue growth and cost management, laying a solid foundation for sustainable development in the future.

## **Other Income and Gains**

The Group's other income was primarily derived from government grants, exchange gains and interest income, etc. The Group's other income increased by 207.9% from RMB6.3 million for the year ended December 31, 2023 to RMB19.4 million for the year ended December 31, 2024, which was mainly attributable to (i) the increase in exchange gains arising from the fluctuations in exchange rates during the Reporting Period from RMB0.1 million for the year ended December 31, 2023 to RMB7.6 million for the year ended December 31, 2024; (ii) the increase in government grants from RMB1.8 million for the year ended December 31, 2023 to RMB7.0 million for the year ended December 31, 2024; and (iii) the increase in interest income from RMB0.2 million for the year ended December 31, 2023 to RMB4.2 million for the year ended December 31, 2024.

## **Selling and Distribution Expenses**

Selling and distribution expenses increased by 32.1% from RMB239.3 million for the year ended December 31, 2023 to RMB316.1 million for the year ended December 31, 2024. The main contributor to this increase was marketing and promotion expenses, which increased by 54.7% from RMB148.5 million for the year ended December 31, 2023 to RMB229.8 million for the year ended December 31, 2024, primarily attributable to the increase in online and offline multi-channel marketing campaigns, which aimed to enhance the Group's brand awareness and image, develop and reach out to a wider range of potential customers, and promote the expansion of the Group's business scale.

## **Administrative Expenses**

Administrative expenses increased by 26.8% from RMB54.5 million for the year ended December 31, 2023 to RMB69.1 million for the year ended December 31, 2024. The main contributors to this increase were (i) Listing expenses and consultancy fees related to the Global Offering; and (ii) employee benefit expenses.

- (i) Listing expenses and consultancy fees increased from RMB30.1 million for the year ended December 31, 2023 to RMB39.6 million for the year ended December 31, 2024. Listing expenses were primarily used to cover the service fees incurred throughout the process of Listing according to the contractual schedule. Consultancy fees increased as a result of the Company's engagement of experienced consulting firms to review and formulate the Company's long-term development strategies to maintain its competitiveness; and

- (ii) Employee benefit expenses increased from RMB9.8 million for the year ended December 31, 2023 to RMB10.9 million for the year ended December 31, 2024, mainly due to the Company's recruitment of skilled management and professionally qualified personnel to support the expansion of its business scale.

## **Finance Costs**

Finance costs primarily consist of (i) interests on bank and other borrowings; and (ii) interests on lease liabilities. The Group's finance costs increased by RMB10.3 million from RMB1.6 million for the year ended December 31, 2023 to RMB11.9 million for the year ended December 31, 2024. This was mainly due to the fact that, in order to optimize the efficiency of capital allocation, the Company supplemented its domestic business operation needs with domestic loans, taking into account the interest rate environment in both domestic and overseas markets and the expected investment returns. Although there are sufficient funds upon the Listing, this is more conducive to liquidity and is in line with the Company's development strategy.

## **Research and Development Expenses**

Research and development expenses increased by 43.8% from RMB63.3 million for the year ended December 31, 2023 to RMB91.5 million for the year ended December 31, 2024. The increase was primarily due to (i) increased investment in technological R&D related to the AI interaction equipped in AI interactive terminals, which aimed to enhance user experience and interactivity, and deliver a superior and cutting-edge consumer experience to customers; and (ii) increased investment in technological R&D in relation to optimization of the supply chain system, which aimed to enhance management efficiency and economic benefits to support the Group's expanding business scale.

## **Fair Value Changes of Convertible Redeemable Preferred Shares**

The fair value changes of the Group's convertible redeemable preferred shares for the years ended December 31, 2024 and 2023 were losses of RMB1,899.4 million and RMB24.0 million, respectively. Such changes represented fair value adjustment resulting from the conversion of convertible redeemable preferred shares into ordinary shares, calculated based on the offering price on the Listing Date, the number of ordinary shares so converted and the exchange rate between HKD and RMB on the Listing Date. Such changes were non-cash, one-time fair value adjustment caused by the conversion of convertible redeemable preferred shares into ordinary shares upon Listing. Such one-time fair value adjustment only affected the profit and loss for such period, and it is expected that there will be no future gains or losses related to the valuation changes of these financial instruments.

## **Other Expenses and Losses**

The Group's other expenses and losses primarily include losses on disposal of office supplies and terminals. The Group's other expenses increased by 57.1% from RMB2.1 million for the year ended December 31, 2023 to RMB3.3 million for the year ended December 31, 2024, which was primarily driven by higher fixed asset disposal expenses resulting from an increase in the number of the Group's terminal devices scrapped in 2024.

## **Income Tax Expenses**

The Group's income tax expenses increased from RMB20.1 million for the year ended December 31, 2023 to RMB27.0 million for the year ended December 31, 2024 due to the increase in the Group's profit before income tax. Our effective tax rate increased from 10.0% for the year ended December 31, 2023 to 10.8% for the year ended December 31, 2024.

## **Loss for the Year**

For the year ended December 31, 2024, the Group's loss for the year was RMB1,662.7 million, which was mainly due to the non-cash, one-time fair value change of RMB1,899.4 million caused by the conversion of 138,640,077 shares of convertible redeemable preferred shares into ordinary shares upon Listing. It is expected that there will be no future gains or losses related to the valuation changes of these financial instruments. For the year ended December 31, 2024, the Group's adjusted profit (a non-IFRS measure) totaled RMB251.2 million, representing a year-on-year increase of 25.1% and demonstrating the continuous improvement of profitability of the Group's operation.

## **Non-IFRS Measure – Adjusted Profit**

To supplement its consolidated financial statements which are presented in accordance with IFRSs, the Group also uses adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRSs. The Group believes that such measures provide investors and other persons with useful information to understand and evaluate the Group's consolidated results of operation in the same manner as such measures help the Group's management. However, the Group's adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Group's results of operations or financial position as reported under IFRSs. The Group encourages you to review the financial information in its entirety and not rely on a single financial measure.



Adjusted profit (a non-IFRS measure) is defined as profit or loss for the year by adding back the effects of (i) fair value losses on financial liabilities at fair value through profit or loss (“FVTPL”) offset by fair value gains on financial assets at FVTPL; (ii) Stock Incentive Plan expense; and (iii) Listing expenses. Fair value losses on financial liabilities at FVTPL represent fair value losses relating to convertible redeemable preferred shares issued in our equity financings. The convertible redeemable preferred shares were automatically converted into ordinary shares upon completion of the Global Offering. The Group has been successfully listed on the Stock Exchange on May 27, 2024, and the fair value changes resulting from the conversion of convertible redeemable preferred shares into ordinary shares, calculated based on the offering price on the Listing Date, the number of ordinary shares so converted and the exchange rate between HKD and RMB on the Listing Date, and the financial liabilities recognized as at December 31, 2023 was included in the fair value changes for the Reporting Period. Such changes are non-cash, one-time fair value adjustment caused by the conversion of convertible redeemable preferred shares into ordinary shares upon Listing, and it is expected that there will be no future gains or losses related to the valuation changes of these financial instruments. The Group excludes Stock Incentive Plan expense as such expenses are non-cash in nature and do not result in cash outflows. The Group also excludes Listing expenses with respect to the Global Offering. Adjusted EBITDA (a non-IFRS measure) is defined as adjusted profit (a non-IFRS measure) for the year by adding back the effects of income tax expense, finance costs, bank interest income, and depreciation and amortization charges. The following tables reconcile our adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) for the years presented.

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB’000</b>	<b>RMB’000</b>
<b>Reconciliation of (loss)/profit for the year and adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure)</b>		
(Loss)/profit for the year	<b>(1,662,728)</b>	136,702
Add:		
Fair value losses on financial liabilities at FVTPL offset by fair value gains on financial assets at FVTPL	<b>1,877,991</b>	24,088
Stock Incentive Plan expense	<b>17,628</b>	14,634
Listing expenses	<b>18,285</b>	25,284

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Adjusted profit (a non-IFRS measure)</b>	<b>251,176</b>	200,708
Add:		
Income tax expense	<b>27,019</b>	20,134
Finance costs	<b>11,930</b>	1,611
Bank interest income	<b>(4,214)</b>	(238)
Depreciation and amortization charges	<b>53,807</b>	58,027
	<hr/>	<hr/>
<b>Adjusted EBITDA (a non-IFRS measure)</b>	<b>339,718</b>	280,242
	<hr/>	<hr/>

## **Inventories**

The Group's inventories primarily consist of fast-moving consumer goods, such as beverages and food. Our inventory balance decreased from RMB27.8 million as of December 31, 2023 to RMB11.8 million as of December 31, 2024, primarily due to a further improvement in lean inventory management level. The inventory turnover days significantly decreased from 117.2 days as of December 31, 2023 to 65.3 days as of December 31, 2024.

## **Trade Receivables**

The Group's trade receivables represent outstanding amounts receivable by the Group from customers primarily in connection with the provision of marketing services. Trade receivables increased from RMB494.0 million as of December 31, 2023 to RMB510.0 million as of December 31, 2024. The increase was primarily attributable to the expansion of our business scale. The Group's trade receivable turnover days decreased from 222.5 days as of December 31, 2023 to 172.3 days as of December 31, 2024. The Group established a credit control department to minimize our credit risk and maintain control over our outstanding receivables, and our management regularly reviews the settlement status of customers with relatively long credit terms with the aim of maintaining a good turnover of trade receivables.

## **Trade Payables**

Trade payables mainly represent payables due to suppliers for purchasing merchandise, receiving services, etc. in the Group's daily operations. Trade payables increased from RMB11.5 million as of December 31, 2023 to RMB19.0 million as of December 31, 2024, primarily due to an increase in the balance of trade payables as a result of the expansion of the Company's business scale and the growth in the volume of merchandise transactions.

## **Prepayments, Deposits and Other Receivables**

Prepayments, deposits and other receivables are amounts paid in advance to suppliers, service providers, etc. in the Group's daily operations or arising from other transactional matters, which are expected to be recovered at some point in the future. These primarily consist of (i) prepayments to suppliers for purchasing merchandise and procuring services; and (ii) deposits and other receivables, primarily representing lease deposits and miscellaneous receivables.

Prepayments, deposits and other receivables increased from RMB76.8 million as of December 31, 2023 to RMB218.1 million as of December 31, 2024, mainly due to the increase in prepayments for our information technology service procurement. We strengthened our capability of utilizing social media platforms, which attracted and developed quality customers with sustained growth and simultaneously increased our procurement of third-party media resources. Such procurement usually requires prepayments according to industry practice.

## **Capital Expenditures**

The Group's capital expenditures include payment for purchases of property, plant and equipment and the recognition of right-of-use assets in RMB. Among them, property, plant and equipment primarily consist of (i) AI interactive terminals; (ii) leasehold improvements; and (iii) transport equipment. Property, plant and equipment increased from RMB117.7 million as of December 31, 2023 to RMB134.6 million as of December 31, 2024. This was primarily due to the additional procurement of new AI interactive terminals of RMB70.8 million to support the expansion of the Company's business scale, partially offset by the decommission of AI interactive terminals due to the expiry of their useful lives and the provision of depreciation as of December 31, 2024 in accordance with the depreciation policy.

Right-of-use assets primarily represent leases of office premises and warehouses. The right-of-use assets increased from RMB2.4 million as of December 31, 2023 to RMB4.7 million as of December 31, 2024, which was primarily due to new lease agreements entered into by the Company for office premises and warehouse, partially offset by the provision of depreciation as of December 31, 2024.

## **Gearing Ratio**

Gearing ratio is calculated by dividing total liabilities by total assets and multiplying by 100%. As of December 31, 2023, the Group's gearing ratio was 134.5% as compared with the gearing ratio of 25.7% as of December 31, 2024. The significant decrease in the gearing ratio was mainly due to the conversion of convertible redeemable preferred shares into ordinary shares upon Listing, which resulted in a one-off transfer of financial liabilities at fair value through profit or loss for such period on the books.

**Pledge of Assets**

As of December 31, 2024, the Group did not have any pledge of assets.

**Contingent Liabilities**

For the Reporting Period, the Group did not have any material contingent liabilities.

**Foreign Currency Risk**

The Group mainly operates its business in the PRC, and its transactions are mainly settled in RMB. As the Group does not have material financial assets or liabilities denominated in currencies other than the respective functional currencies of our operating entities, the management believes that the business does not have any significant exposure to foreign exchange risk. As of December 31, 2024, we did not hedge against foreign exchange fluctuations.

**Credit Risk**

The Group trades only with recognized and creditworthy third parties, and there is no requirement for collateral. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, we monitor receivable balances on an ongoing basis, and our exposure to bad debts is not significant. We manage concentrations of credit risk based on customer/counterparty and industry sector.

**Material Acquisition and Disposal**

During the Reporting Period, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

**Future Plans for Significant Investment and Capital Assets**

As of December 31, 2024, the Group did not hold any significant investments.

We will continue to extensively seek out potential strategic investment opportunities and pursue potential high-quality target businesses and assets that can bring synergies to the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As of December 31, 2024, the Group had a total of 186 employees (as of December 31, 2023: 187). For the Reporting Period, the total costs for the Group's employees amounted to RMB40.7 million (for the year ended December 31, 2023: RMB38.3 million). Our success depends on our ability to attract, retain and motivate qualified employees. We offer our employees a competitive remuneration package which includes salary, benefits, bonuses and incentives. Our compensation programs are designed to remunerate our employees based on their performance, measured against specified objective criteria. As required by the PRC laws, we have made contributions to the various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to mandatory housing provident funds, for or on behalf of our employees. The Company operates the Stock Incentive Plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Employees of the Group (including Directors) receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments.

To maintain the quality, knowledge and skill levels of our workforce, the Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. The Group also provides training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

## **SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this results announcement, as of the date of this results announcement, there was no other subsequent event after the Reporting Period which has material impact to the Group.

## **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The Shares were listed on the Main Board of the Stock Exchange on May 27, 2024. The net proceeds raised from the Global Offering, after deduction of the underwriting commissions, fees and estimated expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$420.51 million (the “**Net Proceeds**”).

As of the date of this results announcement, there was no change in the intended use of Net Proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus. The following table sets forth a summary of the utilization of the Net Proceeds as of December 31, 2024:

Planned use of the Net Proceeds	Percentage to total Net Proceeds	Net Proceeds			
		Net Proceeds incurred from the Global Offering (HK\$ in million)	Actual amount of Net Proceeds utilized during the period from the Listing Date to December 31, 2024 (HK\$ in million)	Unutilized amount as of December 31, 2024 (HK\$ in million)	Expected timeline for full utilization of the remaining Net Proceeds
<b>Expand terminal network and increase market penetration</b>	<b>32.0%</b>	<b>134.56</b>	<b>53.19</b>	<b>81.37</b>	<b>December 31, 2027</b>
– Expansion of terminal network across tier one and new tier one cities in China	24.0%	100.92	39.65	61.27	December 31, 2027
– Placement costs of new locations intended for the installation of additional terminals	8.0%	33.64	13.54	20.10	December 31, 2027
<b>Provide enhanced marketing service</b>	<b>13.0%</b>	<b>54.67</b>	<b>11.68</b>	<b>42.99</b>	<b>December 31, 2027</b>
– Expand the Group’s user pool and continue to enhance the Group’s membership system	10.0%	42.05	10.57	31.48	December 31, 2027
– Recruit additional marketing planning personnel	3.0%	12.62	1.11	11.51	December 31, 2027
<b>Expand the Group’s brand customer base by enhancing the Group’s brand awareness</b>	<b>15.0%</b>	<b>63.08</b>	<b>19.07</b>	<b>44.01</b>	<b>December 31, 2026</b>
– Expand the Group’s brand customer base and promote the “Quna (趣拿)” brand	10.0%	42.05	16.53	25.52	December 31, 2026
– Recruit business development personnel	5.0%	21.03	2.54	18.49	December 31, 2026



Planned use of the Net Proceeds	Net Proceeds				
	Percentage to total Net Proceeds	Net Proceeds incurred from the Global Offering (HK\$ in million)	Actual amount of Net Proceeds utilized during the period from the Listing Date to December 31, 2024 (HK\$ in million)	Unutilized amount as of December 31, 2024 (HK\$ in million)	Expected timeline for full utilization of the remaining Net Proceeds
<b>Enhance the Group's technological capabilities and R&amp;D efforts</b>	<b>20.0%</b>	<b>84.10</b>	<b>23.74</b>	<b>60.36</b>	<b>December 31, 2027</b>
– Further enhance the Group's R&D investments	10.0%	42.05	11.63	30.42	December 31, 2027
– Strengthening the construction of digital systems within the Group's internal operations	5.0%	21.03	7.14	13.89	December 31, 2026
– Recruiting experienced technical and R&D personnel	5.0%	21.03	4.97	16.06	December 31, 2027
<b>Pursuing strategic alliances and acquisitions</b>	<b>10.0%</b>	<b>42.05</b>	<b>8.66</b>	<b>33.39</b>	<b>December 31, 2027</b>
<b>For general working capital and general corporate purposes</b>	<b>10.0%</b>	<b>42.05</b>	<b>11.55</b>	<b>30.50</b>	<b>Not applicable</b>
<b>Total</b>	<b>100.0%</b>	<b>420.51</b>	<b>127.89</b>	<b>292.62</b>	

The Group will gradually utilize the Net Proceeds in accordance with the intended purposes set out in the Prospectus.

## FINAL DIVIDEND

The Board resolved not to declare any final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: nil).

## CORPORATE GOVERNANCE

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 CG Code as its own code of corporate governance. Save as disclosed below and in this results announcement, the Company has complied with all applicable code provisions set out in part 2 of the CG Code and adopted most of the recommended best practices set out therein during the period from the Listing Date to December 31, 2024 (the “**Relevant Period**”).

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the Listing Date and up to the date of this results announcement, Ms. YIN Juehui (“**Ms. YIN**”) is the Chairwoman and the CEO. With experience in the telecommunications industry and having served in the Company since its establishment, Ms. YIN is in charge of supervising and providing overall management, operation and strategies of the Group. Despite the fact that the roles of the Chairwoman and the CEO are both performed by Ms. YIN which constitutes a deviation from code provision C.2.1 of the CG Code, the Board considers that vesting the roles of both the Chairwoman and the CEO in Ms. YIN has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of the Company. The Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the senior management of the Company, given that: (i) Ms. YIN and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that each of them acts for the benefit and in the best interests of the Company; (ii) there is sufficient check and balance in the Board, which comprises experienced and diverse individuals, and decision to be made by the Board requires approval by at least a majority of the Directors; and (iii) the overall strategic and other key business, financial and operational policies of the Group are and will be made collectively after thorough discussion at both the Board and senior management levels.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted 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 during the Relevant Period.

During the Relevant Period, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

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

Save for the Global Offering, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares, if any) during the Relevant Period. As of December 31, 2024, the Company did not hold any treasury Shares.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. As of the date of this results announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. ZHU Lin, Dr. CHE Lufeng and Dr. YANG Bo. The chairperson of the Audit Committee is Mr. ZHU Lin (being the independent non-executive Director with the appropriate professional qualifications). The primary functions of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

The Audit Committee has discussed with the management of the Company and reviewed the consolidated financial statements of the Group for the Reporting Period. The Audit Committee considered that the consolidated financial statements of the Group for the Reporting Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

## **SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR**

The financial information set out in this annual results announcement does not constitute the Group's audited accounts for the year ended December 31, 2024, but represents an extract from the consolidated financial statements for the year ended December 31, 2024 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

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

*For the year ended December 31, 2024*

		<b>Year ended December 31,</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
REVENUE	5	<b>1,339,500</b>	1,006,697
Cost of sales		<b>(589,713)</b>	(471,430)
Gross profit		<b>749,787</b>	535,267
Other income and gains	5	<b>19,364</b>	6,260
Selling and distribution expenses		<b>(316,110)</b>	(239,282)
Administrative expenses		<b>(69,094)</b>	(54,538)
Research and development expenses		<b>(91,542)</b>	(63,250)
Fair value losses on financial liabilities at fair value through profit or loss (“FVTPL”)		<b>(1,899,415)</b>	(24,088)
Fair value gains on financial assets at FVTPL		<b>21,424</b>	–
Other expenses and losses		<b>(3,305)</b>	(2,119)
Impairment losses on financial assets under expected credit loss (“ECL”) model, net of reversal		<b>(34,888)</b>	197
Finance costs	6	<b>(11,930)</b>	(1,611)
(LOSS)/PROFIT BEFORE TAX	7	<b>(1,635,709)</b>	156,836
Income tax expense	8	<b>(27,019)</b>	(20,134)
(LOSS)/PROFIT FOR THE YEAR		<b>(1,662,728)</b>	136,702

		Year ended December 31,	
		2024	2023
	Notes	RMB'000	RMB'000
Attributable to:			
Owners of the parent		(1,672,156)	130,942
Non-controlling interests		<u>9,428</u>	<u>5,760</u>
		<u>(1,662,728)</u>	<u>136,702</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		<u>(1,662,728)</u>	<u>136,702</u>
Attributable to:			
Owners of the parent		(1,672,156)	130,942
Non-controlling interests		<u>9,428</u>	<u>5,760</u>
		<u>(1,662,728)</u>	<u>136,702</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic:			
(Loss)/profit for the year (RMB)	10	<u>(8.40)</u>	<u>1.25</u>
Diluted:			
(Loss)/profit for the year (RMB)	10	<u>(8.40)</u>	<u>0.56</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		As at December 31,	
		2024	2023
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		134,579	117,652
Right-of-use assets		4,731	2,361
Financial assets at FVTPL		4,000	4,000
Deferred tax assets		16,645	11,014
Prepayments, deposits and other receivables		42,023	34,750
Total non-current assets		201,978	169,777
CURRENT ASSETS			
Inventories		11,764	27,785
Trade receivables	11	510,008	493,999
Prepayments, deposits and other receivables		218,085	76,788
Financial assets at FVTPL		272,524	–
Amounts due from shareholders		–	7
Cash and bank balance		891,987	299,018
Total current assets		1,904,368	897,597



		<b>As at December 31,</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	12	<b>19,002</b>	11,451
Other payables and accruals		<b>46,034</b>	9,404
Contract liabilities		<b>5,065</b>	2,762
Income tax payable		<b>38,524</b>	21,365
Lease liabilities		<b>2,839</b>	1,659
Interest-bearing bank borrowings		<b>426,840</b>	119,940
Deferred income		<b>320</b>	320
		<hr/>	<hr/>
Total current liabilities		<b>538,624</b>	166,901
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>1,365,744</b>	730,696
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,567,722</b>	900,473
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		–	13,500
Lease liabilities		<b>1,974</b>	528
Deferred income		<b>80</b>	400
Convertible redeemable preferred shares		–	1,253,988
		<hr/>	<hr/>
Total non-current liabilities		<b>2,054</b>	1,268,416
		<hr/>	<hr/>
Net assets/(liabilities)		<b>1,565,668</b>	(367,943)
		<hr/>	<hr/>
<b>EQUITY</b>			
Share capital	13	<b>18</b>	7
Reserves/(deficits)		<b>1,536,340</b>	(387,832)
		<hr/>	<hr/>
Equity attributable to owners of the parent		<b>1,536,358</b>	(387,825)
Non-controlling interests		<b>29,310</b>	19,882
		<hr/>	<hr/>
Total equity/(deficits)		<b>1,565,668</b>	(367,943)
		<hr/>	<hr/>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Paid-in capital	Capital reserve	Share award reserve	Other reserve	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	7	-	32,670	47,080	(467,582)	(387,825)	19,882	(367,943)
Loss for the year	-	-	-	-	(1,672,156)	(1,672,156)	9,428	(1,662,728)
Total comprehensive expense for the year	-	-	-	-	(1,672,156)	(1,672,156)	9,428	(1,662,728)
Issue of new shares upon the initial public offering (the "IPO")	1	425,307	-	-	-	425,308	-	425,308
Automatic conversion of preferred shares upon the IPO	10	3,153,393	-	-	-	3,153,403	-	3,153,403
Equity-settled share based payment	-	-	17,628	-	-	17,628	-	17,628
At December 31, 2024	18	3,578,700	50,298	47,080	(2,139,738)	1,536,358	29,310	1,565,668

	Attributable to owners of the parent						Non-controlling interests	Total deficits
	Paid-in capital	Capital reserve	Share award reserve	Other reserve	Accumulated losses	Total		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023	7	–	18,036	–	(591,858)	(573,815)	155	(573,660)
Profit for the year	–	–	–	–	130,942	130,942	5,760	136,702
Total comprehensive income for the year	–	–	–	–	130,942	130,942	5,760	136,702
Transfer from convertible redeemable preferred shares	–	–	–	47,080	–	47,080	13,967	61,047
Capital deduction by Shanghai Yiqu Investment Development Center (Limited Partnership)	–	–	–	–	(6,666)	(6,666)	–	(6,666)
Equity-settled share based payment	–	–	14,634	–	–	14,634	–	14,634
At December 31, 2023	<u>7</u>	<u>–</u>	<u>32,670</u>	<u>47,080</u>	<u>(467,582)</u>	<u>(387,825)</u>	<u>19,882</u>	<u>(367,943)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 1. CORPORATE AND GROUP INFORMATION

Qunabox Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on June 15, 2021. The registered address of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from May 27, 2024 (the “**Listing**”).

During the year, the Company’s subsidiaries were principally engaged in marketing services, merchandise sales and other services in the People’s Republic of China (the “**PRC**”).

As a result of the acting-in-concert agreement, Ms. YIN Juehui (殷珏輝), Ms. YIN Juelian (殷珏蓮), Mr. CAO Liwen (曹理文), Mr. WU Wenhong (吳文洪), Mr. HUANG Aihua (黃愛華) and Mr. QIAN Jun (錢俊) were entitled to exercise approximately 39.27% of the voting power at general meeting of the Company as of the date of this results announcement.

As at the date of this results announcement, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation	Registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Qunabox Group Hongkong Limited	Hong Kong, China July 12, 2021	HK\$1.00	100%	–	Investment holding
Termi Smart Pte. Ltd.	Singapore January 31, 2024	SGD200,000	100%	–	Provision of marketing services and merchandise sales services
Shanghai Quna Network Technology Co., Ltd.* (上海趣致網絡科技有限公司) (“ <b>Shanghai Quna</b> ”)	PRC/Mainland China July 18, 2013	RMB86,955,586	–	96.04%	Provision of marketing services and merchandise sales services
Shanghai Quzhi Network Technology Co., Ltd.* (上海趣至網絡科技有限公司)	PRC/Mainland China December 17, 2021	RMB10,000,000	–	96.04%	Provision of marketing services and merchandise sales services
Shanghai Zhiqun Technology Co., Ltd.* (知驅(上海)科技有限公司)	PRC/Mainland China November 19, 2020	RMB19,600,000	–	49.00%	Provision of marketing services and merchandise sales services

Name	Place and date of incorporation	Registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Quleduo Information Technology Co., Ltd.* (上海趣樂多信息技術諮詢有限責任公司)	PRC/Mainland China August 3, 2021	RMB5,000,000	–	57.62%	Provision of marketing services and merchandise sales services
Shanghai Quxuan e-commerce Co., Ltd.* (上海趣選電子商務有限公司)	PRC/Mainland China March 29, 2018	RMB5,000,000	–	96.04%	Provision of marketing services and merchandise sales services
Hainani Quzhi Network Technology Co., Ltd.* (海南趣致網絡科技有限公司)	PRC/Mainland China June 12, 2023	RMB300,000,000	–	100%	Provision of marketing services and merchandise sales services
Zhejiang Quxiang Network Technology Co., Ltd.* (浙江趣享網絡科技有限公司)	PRC/Mainland China June 12, 2023	RMB500,000,000	–	100%	Provision of marketing services and merchandise sales services
Smarketing General Trading Ltd.	The United Arab Emirates January 7, 2025	AED5,000,000	–	100%	Merchandise sales services

\* The English names of the companies registered in PRC represent the best efforts made by management of the Company to translate the Chinese names of the companies as they do not have official English names.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and financial liabilities 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.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended December 31, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> <i>(the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to IFRSs 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.



### 3.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in consolidated financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial instruments</i> <sup>2</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to IAS 21	<i>Lack of Exchangeability</i> <sup>1</sup>
Amendments to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> <sup>2</sup>

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

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

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

<sup>4</sup> No mandatory effective date yet determined but available for adoption

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is mainly engaged in marketing services, merchandise sales and other related services, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

#### Geographical information

##### (a) Revenue from external customers

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Mainland China	<b>1,339,500</b>	1,006,697

The revenue information above is based on the locations of the customers.

(b) As the Group's non-current assets were located in the PRC during reporting period, no geographical information is presented.

## Information about major customers

No revenue amounting to 10% or more of the Group's total revenue was derived from sales to a single customer during reporting period.

Information about products and services have been disclosed under note 5 to the consolidated financial statements.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
<b>Revenue from contracts with customers</b>		
Revenue from marketing services	1,097,443	807,971
Revenue from merchandise sales	184,614	144,320
Revenue from other related service	57,443	54,406
	<u>1,339,500</u>	<u>1,006,697</u>
Total	<u>1,339,500</u>	<u>1,006,697</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	184,614	144,320
Services satisfied at a point in time	57,443	54,406
Services satisfied over time	1,097,443	807,971
	<u>1,339,500</u>	<u>1,006,697</u>
Total	<u>1,339,500</u>	<u>1,006,697</u>

The following table shows the amounts of revenue recognised in each reporting period that were included in the contract liabilities at the beginning of each reporting period and recognised from performance obligations satisfied in previous years:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Marketing services	2,762	182

All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

*Marketing services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 180 days from the date of completion of services and customer acceptance.

*Merchandise sales*

The performance obligation is satisfied when the control of the goods has been transferred by vending machines to the customers and payment upon delivery of goods is normally required.

*Other related services*

The performance obligation is satisfied at the point in time as services are completed and accepted by customers and payment is generally due within 90 days from the date of completion of services and customer acceptance.

**Other income and gains**

An analysis of other income and gains is as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Government grants	<b>6,978</b>	1,785
– Asset related	<b>2,720</b>	320
– Income related	<b>4,258</b>	1,465
Additional deduction of input value-added tax	–	4,135
Interest income	<b>4,214</b>	238
Exchange gains	<b>7,637</b>	84
Others	<b>535</b>	18
	<hr/>	<hr/>
Total	<b>19,364</b>	6,260
	<hr/> <hr/>	<hr/> <hr/>

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings	11,738	1,543
Interest on lease liabilities	192	68
	<hr/>	<hr/>
Total	<b>11,930</b>	<b>1,611</b>
	<hr/> <hr/>	<hr/> <hr/>

## 7. (LOSS)/PROFIT BEFORE TAX

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

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	145,896	118,789
Depreciation of property, plant and equipment	50,468	55,515
Depreciation of right-of-use assets	3,339	2,512
Research and development costs	91,542	63,250
Auditor's remuneration	2,842	47
Listing expenses	18,285	25,284
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	32,439	31,390
Share based payment expense	17,628	14,634
Pension scheme contributions	7,121	6,890
	<hr/>	<hr/>
Total	<b>57,188</b>	<b>52,914</b>
	<hr/>	<hr/>
Foreign exchange gains, net	(7,637)	(84)
Interest income	(4,214)	(238)
Fair value gains on financial assets at FVTPL	(21,424)	–
Impairment losses on financial assets under ECL model, net of reversal	34,888	(197)
Write-down of inventories	2,166	6,291
Fair value losses on financial liabilities at FVTPL	1,899,415	24,088
Loss on disposal of items of property, plant and equipment	3,121	2,040
	<hr/> <hr/>	<hr/> <hr/>

## 8. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the countries or jurisdictions in which members of the Group are domiciled and operate.

### Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains during the reporting period.

### Hong Kong

The subsidiary which operates in Hong Kong is subject to profits tax at a rate of 8.25% applies to the first HKD2,000,000 of assessable profits, the remaining assessable profits is subject to profits tax at a rate of 16.5%.

### Mainland China

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below.

In 2019, Shanghai Quna was accredited as a “High and New Technology Enterprise” (“**HNTE**”) and was entitled to a preferential income tax rate of 15% for a period of three years from December 2019 to December 2022. Shanghai Quna subsequently renewed its HNTE qualification in 2022 and is entitled to the preferential tax rate of 15% from December 2022 to December 2025.

The income tax expense of the Group for the reporting period is analyzed as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Current income tax		
Charge for the year	<b>32,420</b>	22,701
Underprovision in respect of prior years	<b>230</b>	–
Deferred income tax	<b>(5,631)</b>	(2,567)
	<hr/>	<hr/>
Total tax charge for the year	<b>27,019</b>	20,134
	<hr/> <hr/>	<hr/> <hr/>

A reconciliation of the tax expense applicable to (loss)/profit before tax using the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the applicable tax rate is as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(Loss)/profit before tax	<b>(1,635,709)</b>	156,836
Tax charged at the statutory tax rate	<b>(408,927)</b>	39,209
Preferential tax rate enacted by the subsidiary	<b>(26,338)</b>	(22,056)
Expenses not deductible for tax	<b>473,262</b>	10,718
Additional deductible allowance for research and development costs	<b>(11,227)</b>	(7,769)
Temporary difference and tax losses not recognised	<b>19</b>	32
Adjustments in respect of current tax of previous periods	<b>230</b>	–
Tax charge at the Group's effective rate	<b>27,019</b>	20,134

## 9. DIVIDENDS

The board of the directors of the Company did not recommend the payment of any dividend during the reporting period. The board of directors resolved not to declare any final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: nil).

## 10. (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)/earnings for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 199,108,235 (2023: 104,361,369) in issue outstanding during the year, as adjusted to reflect the situation of new shares issuance during the year.

For the year ended December 31, 2023, the calculation of the diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent adding fair value loss of RMB21,963,000 on the convertible redeemable preferred shares that had a dilutive effect and deducting effect of instrument that are convertible into ordinary shares of a subsidiary of RMB11,654,000. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares including the effect of dilution from convertible redeemable preferred shares that had a dilutive effect of 132,473,549 shares and options granted under the stock incentive plan of 15,772,158 shares, respectively.

No adjustment has been made to the basic loss per share amount presented for the year ended December 31, 2024 as the impact of the convertible redeemable preferred share and share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted earnings per share are based on:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>(Loss)/earnings</b>		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation:	<u>(1,672,156)</u>	<u>130,942</u>
Less: Instrument conversion into ordinary shares of a subsidiary	–	11,654
Add: Fair value loss of the convertible redeemable preferred shares that had a dilutive effect	<u>–</u>	<u>21,963</u>
<b>Total</b>	<b><u>(1,672,156)</u></b>	<b><u>141,251</u></b>

	<b>Number of shares</b> <b>2024</b>	2023
<b>Shares</b>		
Weighted average number of ordinary shares in issue outstanding during the year used in the basic (loss)/earnings per share calculation	<b>199,108,235</b>	104,361,369
Effect of dilution – weighted average number of ordinary shares:		
Share options granted under the stock incentive plan	–	15,772,158
Convertible redeemable preferred shares	<u>–</u>	<u>132,473,549</u>
<b>Total</b>	<b><u>199,108,235</u></b>	<b><u>252,607,076</u></b>

## 11. TRADE RECEIVABLES

	<b>As at December 31,</b> <b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Trade receivables	<b>564,004</b>	541,331
Allowance for expected credit loss	<u>(53,996)</u>	<u>(47,332)</u>
<b>Total</b>	<b><u>510,008</u></b>	<b><u>493,999</u></b>
 Denominated in RMB	 <b><u>510,008</u></b>	 <b><u>493,999</u></b>

The Group's trading terms with its customers are mainly on credit. The credit term is generally from three to six months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control process to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, based on the invoice date and net of loss allowance, as at the end of each reporting period is as follows:

	<b>As at December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within 6 months	<b>293,963</b>	284,315
6 to 12 months	<b>145,775</b>	169,995
1 to 2 years	<b>70,270</b>	33,132
Over 2 years	<b>–</b>	6,557
	<hr/>	<hr/>
Total	<b>510,008</b>	493,999
	<hr/> <hr/>	<hr/> <hr/>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>As at December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At the beginning of the year	<b>47,332</b>	48,371
Impairment losses, net	<b>32,788</b>	(1,039)
Write-down	<b>(26,124)</b>	–
	<hr/>	<hr/>
At the end of the year	<b>53,996</b>	47,332
	<hr/> <hr/>	<hr/> <hr/>

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. To measure the expected credit losses, trade receivables have been assessed on individual basis for debtors in severe financial difficulty, or by using a provision matrix, estimated based on the financial quality of debtors and historical credit loss experience based on the aging of the trade receivables, adjusted as appropriate to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at December 31, 2024, debtors of trade receivable with carrying amount of RMB25,906,000 (2023: RMB26,000,000) were assessed for ECL individually and loss allowance of RMB25,906,000 (2023: RMB26,000,000) was charged against the balance.



The information about the credit risk exposure on the Group's trade receivables assessed collectively by using a provision matrix is as follows:

**As at December 31, 2024**

	<b>Expected credit loss rate</b>	<b>Gross carrying amount <i>RMB'000</i></b>	<b>Expected credit losses <i>RMB'000</i></b>	<b>Net carrying amount <i>RMB'000</i></b>
Provision on a collective basis				
Aged within 6 months	3.14%	303,505	9,542	293,963
Aged 6 to 12 months	3.14%	150,506	4,731	145,775
Aged 1 to 2 years	13.74%	81,462	11,192	70,270
Aged over 2 years	100.00%	2,625	2,625	–
Total		<b>538,098</b>	<b>28,090</b>	<b>510,008</b>

**As at December 31, 2023**

	<b>Expected credit loss rate</b>	<b>Gross carrying amount <i>RMB'000</i></b>	<b>Expected credit losses <i>RMB'000</i></b>	<b>Net carrying amount <i>RMB'000</i></b>
Provision on a collective basis				
Aged within 6 months	3.18%	293,648	9,333	284,315
Aged 6 to 12 months	3.18%	175,576	5,581	169,995
Aged 1 to 2 years	10.57%	37,048	3,916	33,132
Aged over 2 years	27.62%	9,059	2,502	6,557
Total		<b>515,331</b>	<b>21,332</b>	<b>493,999</b>

## 12. TRADE PAYABLES

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

	<b>As at December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	<b>19,002</b>	11,451
Total	<b>19,002</b>	11,451

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

### 13. SHARE CAPITAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on June 15, 2021. Upon its incorporation, the Company had an authorized share capital of US\$50,000 divided into 500,000,000 ordinary shares with a par value of US\$0.0001 each. According to the amended and restated memorandum and articles of association of the Company passed in June 2023, the authorized share capital of the Company is US\$50,000 divided into 5,000,000,000 ordinary shares with a par value of US\$0.00001 each.

As at December 31, 2023, the Company had 104,361,369 shares with a par value of US\$0.00001 each.

On May 27, 2024, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of the issuance of 19,704,000 new shares of US\$0.00001 each issued at an offer price of HK\$25 per share.

As at May 27, 2024, all convertible redeemable preferred shares were automatically converted into 138,640,077 ordinary shares of the Company upon the Listing and the fair value of the convertible redeemable preferred shares as at May 27, 2024 was measured with reference to the IPO offer price of HK\$25 per share.

Ordinary shares issued and fully paid:

	Numbers of ordinary shares	Share capital
As at December 31, 2023 and January 1, 2024: Ordinary shares of US\$0.00001 each	104,361,369	7
Issue of shares pursuant to IPO	19,704,000	1
Automatic conversion of convertible redeemable preferred shares upon the Listing	138,640,077	10
As at December 31, 2024: Ordinary shares of US\$0.00001 each	262,705,446	18

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zzss.com](http://www.zzss.com)), respectively, and the annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be sent to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

## **DEFINITIONS AND GLOSSARIES**

In this results announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“AI”	artificial intelligence, simulation of human intelligence by machines
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairwoman”	the chairwoman of the Board
“China” or “PRC”	the People’s Republic of China, for the purposes of this results announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Qunabox Group Limited (趣致集團), an exempted company with limited liability incorporated in the Cayman Islands on June 15, 2021, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0917)
“Director(s)”	the director(s) of the Company
“Global Offering”	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)

“Group”, “our”, “we” or “us”	the Company and its subsidiaries and branch companies from time to time or, where the context so requires, in respect of the period prior to the Company became the holding company of its present subsidiaries and branch companies, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS(s)”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and International Accounting Standards and interpretation issued by International Accounting Standards Committee
“KA customer(s)”	key account customer(s)
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on May 27, 2024
“Listing Date”	May 27, 2024
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus of the Company dated May 17, 2024
“RMB”	Renminbi, the lawful currency of China
“R&D”	research and development

“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Stock Incentive Plan”	the stock incentive plan of the Company approved and adopted by the Company on September 22, 2021
“United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board  
**Qunabox Group Limited**  
 (趣致集團)

**Ms. YIN Juehui**  
*Chairwoman, Executive Director and Chief Executive Officer*

Hong Kong  
 March 10, 2025

*As at the date of this announcement, the Board comprises (i) Ms. YIN Juehui, Mr. CAO Liwen and Mr. HUANG Aihua as executive Directors; (ii) Mr. DAI Jianchun and Mr. CHEN Rui as non-executive Directors; and (iii) Dr. CHE Lufeng, Mr. ZHU Lin and Dr. YANG Bo as independent non-executive Directors.*