Keep Inc.

(A company incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立的有限公司）

Stock Code 股份代號 : 3650

Annual Report 年度報告 2024

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Ning *(Chairman and Chief Executive Officer)*
Mr. Peng Wei
Mr. Liu Dong

Independent Non-Executive Directors

Ms. Ge Xin
Mr. Shan Yigang
Mr. Wang Haining

AUDIT COMMITTEE

Ms. Ge Xin *(Chairperson)*
Mr. Shan Yigang
Mr. Wang Haining

NOMINATION COMMITTEE

Mr. Shan Yigang *(Chairperson)*
Mr. Wang Haining
Mr. Wang Ning
Ms. Ge Xin

REMUNERATION COMMITTEE

Mr. Wang Haining *(Chairperson)*
Ms. Ge Xin
Mr. Wang Ning

JOINT COMPANY SECRETARIES

Ms. Lin Yuxin
Ms. Lai Siu Kuen

AUTHORIZED REPRESENTATIVES

Mr. Wang Ning
Ms. Lin Yuxin

AUDITOR

RSM Hong Kong
(Certified Public Accountants and Registered Public Interest Entity Auditor)
29th Floor, Lee Garden Two
28 Yun Ping Road, Causeway Bay, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

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3A Chater Road
Central, Hong Kong

COMPLIANCE ADVISER

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27/F, Low Block
Grand Millennium Plaza
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Central, Hong Kong

REGISTERED OFFICE

ICS Corporate Services (Cayman) Limited
Palm Grove Unit 4
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P.O. Box 52A Edgewater Way, #1653
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Cayman Islands

HEADQUARTERS

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman KY1-9006
Cayman Islands

HONG KONG SHARE REGISTRAR

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COMPANY WEBSITE

https://keep.com/

STOCK CODE

3650

Five Year Financial Summary

RESULTS

	For the year ended December 31,				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenues	**2,065,694**	2,137,834	2,211,551	1,619,538	1,106,777
Gross profit	**965,432**	961,644	900,380	676,628	499,427
Gross profit margin (%)	**46.7**	45.0	40.7	41.8	45.1
(Loss)/profit for the year	**(534,710)**	1,105,908	(104,551)	(2,908,237)	(2,243,750)
Adjusted net loss for the year (Non-IFRS measures) (note)	**(469,606)**	(295,418)	(666,907)	(826,527)	(106,384)
Adjusted net loss margin (%)	**(22.7)**	(13.8)	(30.2)	(51.0)	(9.6)

Note: We define adjusted net loss as (loss)/profit for the year, excluding share-based compensation expenses and fair value changes of convertible redeemable preferred shares. We exclude these items because they do not involve any cash outflow: (i) share-based compensation expenses primarily represent the non-cash employee benefit expenses incurred in connection with our 2016 Plan, 2021 Plan and 2023 Plan. Such expenses in any specific year are not expected to result in future cash payments, and (ii) fair value changes of convertible redeemable preferred shares mainly represent changes in the fair value of the convertible redeemable preferred shares issued by us and relate to changes in our valuation. We did not record any further fair value changes of the convertible redeemable preferred shares after the Listing as preferred shares liabilities were redesignated and reclassified from liabilities to equity after automatically converting into ordinary shares upon the Listing.

ASSETS, LIABILITIES AND EQUITY

	As at December 31,				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total current assets	**1,735,935**	2,291,429	2,429,200	2,960,379	3,148,412
Total non-current assets	**169,867**	157,312	204,341	160,159	138,719
Total assets	**1,905,802**	2,448,741	2,633,541	3,120,538	3,287,131
Total current liabilities	**526,899**	532,171	667,115	606,866	330,179
Total non-current liabilities	**23,101**	43,421	9,476,589	9,274,323	6,998,620
Total liabilities	**550,000**	575,592	10,143,704	9,881,189	7,328,799
Net assets	**1,355,802**	1,873,149	(7,510,163)	(6,760,651)	(4,041,668)
Total equity/(deficit in equity)	**1,355,802**	1,873,149	(7,510,163)	(6,760,651)	(4,041,668)
Total equity/(deficit in equity) and liabilities	**1,905,802**	2,448,741	2,633,541	3,120,538	3,287,131

Management Discussion and Analysis

During 2024, despite the challenges in China's macroeconomic recovery, we were pleased to see the growing enthusiasm for healthy lifestyles and fitness, catalyzed by the success of Summer Olympic Games. Thus, we refreshed our mission to "Fuel every workout, Keep the neighborhood energetic". Our renewed focus on user experience led to a comprehensive enhancement and transformation of the Keep brand and platform throughout 2024, resulting in significant improvements. This can clearly be seen in our expansive portfolio of offerings designed to enhance the user fitness experience across both indoor and outdoor activities, the introduction of next-generation wearable fitness devices, and a range of hot-selling products with tech-savvy and trending aesthetic elements. These initiatives align with our commitment to revamping the core infrastructure of our AI-powered and data-driven ecosystem through Keep App 8.0 version upgrade, further cementing our unique value proposition, core competitiveness, and the market leader advantages. As we observed the revived interest in fitness and sports across China, we are pleased with the consistent internal responsiveness, focus, and execution as we have made to adapt to this momentum. We are confident in our ability to deliver sustainable operational improvements while exploring innovative opportunities to differentiate ourselves. While these initiatives may temporarily impact our performance over the near-term, they are critical to *validating and strengthening* our long-term strategic competitiveness. This AI-powered transition from a content-driven to data-driven ecosystem will solidify our first-mover advantage in an evolving technological landscape, enhance the user experience, and create long-term sustainable value for our shareholders.

BUSINESS REVIEW

Key Operating Data

The following table sets forth certain of our key operating data for the periods indicated:

	Year ended December 31,	
	2024	2023
Average monthly active users ("**MAU(s)**") *(in thousand)*	**29,921**	29,756
Average monthly revenues per MAU *(in RMB)*	**5.8**	6.0
Average monthly subscribing members *(in thousand)*	**3,162**	3,193
Membership penetration rate	**10.6%**	10.7%

Overview

Throughout the year, as macroeconomic recovery progressed, the popularity of sports and fitness continued to grow on multiple fronts. We maintained our strategic resolve amid volatile market landscape by dynamically re-aligning our corporate strategies to address the evolving needs of user and consumer communities, while exploring opportunities to redefine our overall fitness ecosystem. Specifically, we rationalized the structure of our business to improve operational efficiency and drive business robustness, while enhancing user fitness experience through comprehensively exploring user needs. These initiatives drove steady growth in our core business segments, including self-branded fitness products, online membership subscription, and advertising sales. In the pursuit of individual physical and mental well-being, we have observed that the perceptions of sports and fitness activities are evolving beyond traditional fitness routines. This shift is giving rise to multiple needs for social interaction, emotional motivation, and scientific advancement and instruction. Leveraging our extensive connectivity across a vast array of data and smart devices, we are actively addressing the evolving multi-dimensional needs of users for fitness, health data management, and workout analytics to capitalize on our unparalleled advantages in data intelligence and systematic synergies. We have built a loyal and growing user base, established a trusted fitness brand, and developed a full portfolio of highly complementary offerings to drive sustainable operational expansion. We are also working proactively to mitigate the short-term impact on our business by fine-tuning corporate strategies on resource allocation, optimized business deployment, and technological empowerment. This approach aims to enhance and differentiate the fitness journey for our communities across diverse scenarios, enabling us to navigate through this transition period for long-term steady growth.

Management Discussion and Analysis

In 2024, our total revenues reached RMB2.1 billion, representing a 3.4% year-over-year decrease. We have experienced continuous growth in the scale of our core monetization solutions across complementary fitness products, online membership subscriptions, and advertising sales, while the increases were offset by (i) a decrease in online sports events revenue due to the high base effect set by several top-grossing events in 2023 as well as exploratory trials of more IP types in 2024; and (ii) weaker-than-expected sales of smart at-home equipment due to shifting consumption dynamics and weaker consumer sentiment.

Our gross margin expanded to 46.7%, compared to 45.0% in 2023, marking the second consecutive year of consistent gross margin expansion, and reflecting increased revenue contribution from high-margin businesses and ongoing cost optimization.

Adjusted net loss (non-IFRS measures) was RMB469.6 million, compared to RMB295.4 million in 2023, mainly attributable to an increase in expenses associated with new strategic businesses and technological initiatives aimed at strengthening our long-term competitiveness. These initiatives include: (a) development and promotion of AI-enabled applications; (b) innovation in wearable fitness devices; (c) sporting-themed marketing and brand-building activities; and (d) expenditure associated with the optimization of our organizational structure. We believe these initiatives will gradually have a positive contribution starting from 2025. We aim to achieve breakeven in 2025 by optimizing our business performance and pursuing operating expense reductions through technological enhancement (including the application of AI technology), and improving supply chain management and workforce productivity.

In 2024, average MAUs and average monthly subscribing members were 29.9 million and 3.2 million, respectively, largely stable when compared to 29.8 million and 3.2 million, respectively, in 2023. Membership penetration rate for 2024 was also relatively stable at 10.6%, compared to 10.7% in 2023. The upgraded Keep App 8.0 version, launched in 2024, offered a broader range of online services across expanded sports categories and enhanced overall data functionality. To enhance the user experience, we provided limited free trials of certain member-exclusive benefits, encouraging broader user engagement with our comprehensive fitness solution and newly launched tools and gameplay. Despite that, our membership subscription revenue generated positive year-over-year growth, with improvements in both monthly average revenue per paying subscriber (ARPPU) and segment gross margin structure. This reflects our delicate balance between short-term membership scale and long-term user value, as we elevate user awareness of our new offerings and benefits, driving user engagement and lifetime value over the long term.

Expanding Online Fitness Ecosystem

In 2024, we refreshed our mission to "Fuel every workout, Keep the neighborhood energetic" and rolled out Keep App 8.0 version upgrade to enhance the user fitness experience, making it easier for users to stay motivated and engaged in their fitness journeys. We kept expanding the range of tools and functionalities to increase the density and diversity of our online fitness offerings, successfully outreached and inspired diverse user groups.

Our innovative and expansive content portfolio caters to the needs of both beginners and advanced users across various sports categories. We enriched online course content and tools with the goal of optimizing workout experience. Our aim is to provide more accessible, diverse sports content to quickly engage a broader base of fitness enthusiasts. As of December 31, 2024, we have accumulated over 40,000 pre-recorded courses, aligning with popular fitness trends and user preferences. Some of the popular course genres in 2024 included *Functional Strength, Posture Improvements* (Baduanjin Qigong & Tai Chi (八段錦&太極)), and *Dance* series.

Since the successful debut of our revolutionary Keep App 8.0 version upgrade, we now offer our users and partners a more open ecosystem that has delivered a positive impact in capturing new user segments and enhancing diverse fitness experiences. This has enabled us to create more personalized fitness programs and improve data accessibility.

Some of the strengthened content and features of the Keep App 8.0 version upgrade has generated multiple positive outcomes:

– Unlocking the value of outdoor sports activities, catering to users from novice to advanced levels, which drove growth in our outdoor user base. By the end of 2024, our outdoor user base has elevated to approximately the same size as our indoor fitness user base. Running remained the most popular activity among outdoor users and kept growing steadily, while participation in trendy and niche professional sports such as cycling, ball games, swimming and boxing also experienced robust 30% increase in 2024 compared to 2023.

– Rounding out intelligent data capabilities. Intelligent data functionalities saw a meaningful increase in usage among users of our data tools such as full-body evaluation, body-parts evaluations and *Fun Run*（輕鬆跑）. Notably, smart customized plans excelled in addressing the personalized needs of users, accounting for over 90% of all available plans in 2024. Smart plans were utilized over 65 million times throughout the year.

– We pioneered a *Workout Profiling* (運動檔案) feature by leveraging vast amounts of workout data, integrating over 100 exercise metrics and a scientific exercise data assessment system, covering aerobic training (有氧體系運動) and a muscle training system (肌肉訓練體系), which was the first of its kind in the sports industry when introduced by us. Additionally, by integrating multidimensional data such as daily health and sleep patterns, we provide users with comprehensive insights into their exercise records and analysis of exercise effects and intensity across various aspects, including exercise status (such as exercise load and performance level), athletic capability (such as aerobic endurance and muscular endurance), and exercise roadmap predictions. This allows users to intuitively track their exercise and gauge the progress. Furthermore, we will continue to expand this feature to cover more types of sports and data metrics.

We reinforced our leading position and cemented the foundation for our long-term development in the online fitness ecosystem through our comprehensive fitness offerings. Our portfolio of offerings covers diverse sports disciplines and innovative features including tools, guidance, and assessments that cover indoor and outdoor activities from novice to professional level.

Meanwhile, inspirational ancillary engagement and self-rewarding elements such as trendy medals and creative IP collaborations further stimulated thriving community engagement and emotional solidarity. In terms of online sports events, our efforts in optimizing event operations, introducing new gameplay and merchandise, and exploring a wider variety of IP types have collectively driven a revenue rebound in the second half of 2024 compared to the first half of 2024. We will continue to streamline the processes of online sports events and improve supply chain efficiency to stabilize revenue scale while enhancing operational effectiveness. Furthermore, our flagship proprietary sports-themed events, such as the selection of seven road races by *K-MARS (城市K馬)* series and four events by *Good Ride Festivals (好騎節)*, consistently presented joyful and professional atmospheres, gained wider exposure and vibrant user reception in 2024. The innovative *K-MARS* series integrates online and offline gateway through localized gathering events, targeting beginners to advanced runners, effectively enhanced our brand influence, while attracting a broader spectrum of advertisers.

Reshaping Growth Trajectory through Generative AI & Data Foundation

Over the past decade, Keep has evolved from a content-driven tool to a reputable business, becoming one of the largest fitness platforms and communities. We have built a robust fitness ecosystem integrating content, users, data, and devices, encompassing solid and structured data foundation of many sports categories, as well as individual assessment and fitness capability precision models for various sports disciplines. By the end of 2024, we have accumulated over 400 million registered users, more than 100 million annual active users, and more than 55 million annual fitness users on Keep's platform throughout the year. These users collectively tracked over 1.4 billion workout records in 2024. In addition, our platform connects across more than 22 million smart devices, covering Keep smart devices and major mainstream fitness wearable devices of renowned brands such as Apple, Mi, Huawei, Garmin, COROS, and Samsung. In 2024, over 300 million workout records were synchronized to the Keep platform from smart devices (including Keep smart devices as well as from third-party applications and services), all of which surpassed 20% of the total 1.4 billion workout records in 2024.

As we continue to attract and retain users with increased engagement, we benefit from utilizing data to understand how to mobilize workouts, plans and community interaction to fit our users' demand. These insights allow us to direct our content allocations into those preferred areas. We continue to broaden our content offering portfolio by introducing new classes that engage users in different ways. We rolled out and will continue to augment *Workout Profiling* (運動檔案) by leveraging our AI-powered and data-driven capabilities, providing comprehensive management and insight of fitness and health data. Our 6,000+ official courses already included approximately 14% content created by Artificial Intelligence Generated Content (AIGC), new overseas AI-enabled fitness apps like FitPulse, CalCut, and Gogogola provide personalized plans and content, all of which were 100% generated by AIGC.

We view generative AI leveraging our comprehensive fitness data infrastructure to fuel Keep's growths for the next decade and beyond. We are uniquely advantaged with our very large set of fitness, body and performance data configuration. The Company has recently launched Kinetic.ai, the very first vertical model in sports and fitness industry. Simultaneously, we unveiled the first AI agent built on Kinetic.ai: AI Koach Kaka, now available for user trials. By leveraging precise analysis of user's fitness-related data, AI Koach Kaka integrates core functionalities such as personalized workout plan generation and dynamic adjustments on training schedule, thus creating exclusive coaching services tailored to each user. As we are at the very early stage of AI-powered expansion, we singularly focus on two major aspects: (i) pioneering with AI-powered features and functionality, including general fitness instructive and emotional companions features, to drive user adoption and usage, and (ii) faster scalability of tailored content generation, as we'll leverage generative AI to experiment and deliver unprecedented and customized fitness experiences throughout Keep product and service portfolios.

Our strategic initiatives are aimed at long-term sustainability, propelling the growth trajectory by leveraging our robust data foundation and advanced AI technology. This approach is facilitating a transition from a content-driven model to a data-driven one, transforming online fitness from content-recommendation to generative-content, enabling us to continuously lead the technological transformation and intelligence evolution in the sports technology industry.

Improving Scalability and Profitability of Self-branded Fitness Products

Despite facing headwinds from weaker-than-expected consumer sentiment and cautious spending, our self-branded fitness products rebounded with an improved product mix and upgrades, solidified their market share, and realized enhancements in both scalability and profitability. This resulted in self-branded fitness product revenue growth of 0.8% year-over-year in 2024 and a significant 15.3% year-over-year increase in gross profit compared to last year. The substantial increase in gross profit was primarily due to (i) our optimized pricing strategy with an increased proportion of high-margin categories (gear and apparel) and higher revenue contribution from new products, (ii) our continuous cost reductions in categories such as gear, wearables, and apparel, which led to improved gross profitability through economies of scale, streamlined manufacturing processes and refined supply chain management. This is reflected in a gross margin expansion to 31.7% in 2024, compared to 27.7% in 2023. These solid gains were primarily due to the successful expansion of product ranges in wearables, fitness gear and apparel. Specifically, our fitness gear and apparel categories saw a year-over-year revenue increase of 16.0% in 2024.

By expanding across multiple scenarios in 2024, we have enhanced our product capabilities via enhanced user mindset that combines sports technology and aesthetic appeal, offering consumers high-quality products from entry-level to advanced options, at attractive prices. At the same time, we continued to optimize operational efficiency to provide a solid foundation for enhancing business resilience.

– **Smart fitness devices:**

  In 2024, wearable products became the centerpiece of our smart devices, and we focused on in-house research and development capabilities and expertise for wearable products. We believe that data-centric wearables can effectively link users across multiple sports scenarios and categories with extended periods for seamless data access and analysis which further solidifies our data foundation. We have developed and iterated four generations of wristbands, and successfully marketed two top-selling models, the B4 and B4 Lite, over the past two years. Cumulatively, the B4 and B4 Lite have recorded sales of over 1.2 million units since their inception. Leveraging our proven technical development capabilities and interactive knowhow on smart wearables, in August 2024, we unveiled our very first smart watch "Keep Watch Pilot 1". This newest addition to our product line received widespread praise from the market, with sales surpassing 12,000 units in about 4 months since its launch.

  Conversely, intelligent large at-home fitness equipment has entered a normalized market phase and we primarily focus on enhancing software connectivity and optimizing the integration of software and hardware for content navigation, in order to stimulate user engagement. For instance, Keep Bike's library of themed outdoor cycling routes expanded to over 103 selections across 6 continents by the end of 2024, now including scenic racing routes with enhanced immersive experience.

– **Complementary fitness products:**

With dedication to product craftsmanship and development, we have successfully created a series of new and distinctive features and functionalities, continuously fueling the competitiveness of Keep's products and driving deeper trust and affection of consumers, particularly in our fitness gear and apparel, where we made notable product improvements in 2024.

- Fitness gear: We focused on increasing market share of core categories (yoga, muscle building, shaping, and small fitness equipment) while rolling out material improvements and product upgrades to address user pain points. We also expanded our product portfolio to the outdoor and swimming categories, launched new products to address niche markets and demographics (youth, men, and advanced users), as well as deployed more sale channels (such as Douyin, Sam's Club, and Family Mart), to consistently drive growth momentum. By identifying demand for indoor-friendly and low-barrier entry-level products, our flagship products (such as coated dumbbells, extra-wide and thick fitness mats, soft rubber kettlebells, weighted counting jump ropes, and multifunctional push-up training boards) have consistently generated solid sales growth and maintained broad market recognition. Building on our successful track records, we have improved functionality and usability by launching popular new items, such as deep tissue massage foam rollers, men's fitness mats, swimming goggles, and youth version of push-up training boards. The features and usability of our gear are consistently being reengineered to align with market needs, boosting an increase in sales as we incorporated more models, styles and technical options that resonate with our consumers. In 2024, we successfully built out additional third-party platforms and wholesale channels to complement our existing sales network, including Sam's Club and Family Mart. These further broadened our sales stream and expanded market visibility of our products.

- Fitness apparel: Our apparel category hit a new milestone in 2024 in terms of both scale and profitability, resulting in total revenue surpassing RMB100 million, representing an increase of 19.0% year-over-year. This demonstrates the increasing consumer recognition and excitement toward our apparel products for comfort and functional elements. We are consistently optimizing resource allocation by accelerating the supply chain responsiveness and the pace of new product launches, refining pricing strategies, carefully managing discount levels, expanding categories into all-season products, rationalizing sales portfolio, and perfecting go-to-market strategies. At the same time, we are continuously optimizing supply chain management to improve efficiency and to streamline our overall operational processes.

As our product portfolio expands in variety and boosts market traction, we continue to enhance product appeal by leveraging user feedback, data connectivity, and improved aesthetic designs, while optimizing pricing strategies across market segments. The expansive range of our fitness product categories will further cement our long-standing position as the preferred choice for intelligent and professional sports products.

Outlook

Despite ongoing internal and external challenges, we made meaningful progress in our operational and financial performance, and we remain optimistic about the opportunities in the booming fitness and wellbeing industry, especially as the market continues to provide opportunities for us to expand through inventive and flexible operations. Looking ahead to 2025, we will capitalize on the vast opportunities fueled by data and generative AI to strengthen our first-mover advantage as a sports technology platform. We will continue to focus on product development and improve user experience as key competitive differentiators. We will continue to leverage our scale and technological advantages to pioneer the application of AI-powered technology and drive monetization initiatives. We will equally focus on improving our business performance and operating efficiency. These strategies will enhance our competitive advantages and profitability. Specifically, we will aim for the following fronts:

(i) concentrate on enhancing and expanding the overall online offerings, develop and apply AI-powered and data-driven application prospects in both domestic and overseas markets, for elevated fitness experiences in a more efficient and distinctive way, in order to expand user base, and scale-up membership subscription revenue;

(ii) diversify our self-branded fitness portfolio to more scenarios, expand and refine our intelligent wearables, gears and apparels categories, with improved product and aesthetics capabilities while boosting profitability; and

(iii) access and expand diverse user segments with deepened engagement and diversified activities, in order to increase user stickiness and explore commercialization opportunities.

FINANCIAL REVIEW

Revenues

Total revenues were RMB2,065.7 million for the year ended December 31, 2024, representing a 3.4% decrease from RMB2,137.8 million for the year ended December 31, 2023, primarily due to a decrease in revenues from online membership and paid content service.

The breakdown of our revenues by segment for the years are presented as follows:

	Year ended December 31,		
	2024	2023	Year-on-year change
	RMB'000	RMB'000	(%)
Revenues:			
Self-branded fitness products	**953,914**	946,087	0.8
Online membership and paid content	**917,833**	995,760	(7.8)
Advertising and others	**193,947**	195,987	(1.0)
Total	**2,065,694**	2,137,834	(3.4)

Revenues from self-branded fitness products were RMB953.9 million for the year ended December 31, 2024, representing a 0.8% increase from RMB946.1 million for the year ended December 31, 2023. The increase was mainly attributable to the increase in sales of complementary fitness products.

Revenues from online membership and paid content were RMB917.8 million for the year ended December 31, 2024, representing a 7.8% decrease from RMB995.8 million for the year ended December 31, 2023, mainly attributable to a decrease in revenues generated from our online sports events, partially offset by an increase in revenues generated from our online membership subscription.

Revenues from advertising and others were RMB193.9 million for the year ended December 31, 2024, representing a 1.0% decrease from RMB196.0 million for the year ended December 31, 2023, which was relatively stable year-on-year.

Cost of revenues

Cost of revenues was RMB1,100.3 million for the year ended December 31, 2024, representing a 6.5% decrease from RMB1,176.2 million for the year ended December 31, 2023, which has decreased more than the slight decline in our revenues during the same year, primarily due to the success of our cost containment.

	Year ended December 31,		
	2024	2023	Year-on-year change
	RMB'000	RMB'000	(%)
Cost of revenues:			
Self-branded fitness products	**651,467**	683,876	(4.7)
Online membership and paid content	**327,284**	370,085	(11.6)
Advertising and others	**121,511**	122,229	(0.6)
Total	**1,100,262**	1,176,190	(6.5)

Cost of self-branded fitness products was RMB651.5 million for the year ended December 31, 2024, representing a 4.7% decrease from RMB683.9 million for the year ended December 31, 2023, mainly attributable to the decrease of cost of inventories sold due to the optimized product mix and the economies of scale of our self-branded fitness products.

Cost of online membership and paid content was RMB327.3 million for the year ended December 31, 2024, representing a 11.6% decrease from RMB370.1 million for the year ended December 31, 2023, mainly attributable to the decreases of (i) RMB15.8 million in cost of online sports events in corresponding with the decrease in revenue of online sports events; (ii) RMB4.8 million in content related cost as we optimized our IP cost associated with our partnership with third party influencers; and (iii) RMB4.4 million in personnel costs (including related share-based compensation expenses).

Cost of advertising and others was RMB121.5 million for the year ended December 31, 2024, representing a 0.6% decrease from RMB122.2 million for the year ended December 31, 2023 in corresponding with related revenues.

Gross profit and gross profit margin

As a result of the foregoing, gross profit was RMB965.4 million for the year ended December 31, 2024, representing a 0.4% increase from RMB961.6 million for the year ended December 31, 2023. Gross profit margin was 46.7% for the year ended December 31, 2024, representing a 1.7 percentage point increase from 45.0% for the year ended December 31, 2023, mainly attributable to the optimized gross profit margin of self-branded fitness products and online membership and paid content.

Gross profit from self-branded fitness products increased by 15.3% from RMB262.2 million for the year ended December 31, 2023 to RMB302.4 million for the year ended December 31, 2024, mainly attributable to the increased sales of complementary fitness products and the decrease of cost of inventories sold.

Gross profit from online membership and paid content decreased by 5.6% from RMB625.7 million for the year ended December 31, 2023 to RMB590.5 million for the year ended December 31, 2024, mainly attributable to the decrease of revenues generated from our online sports events, partially offset by the decrease of cost of online membership.

Gross profit from advertising and others decreased by 1.8% from RMB73.8 million for the year ended December 31, 2023 to RMB72.4 million for the year ended December 31, 2024, primarily due to the increase in costs associated with integrated online-to-offline advertising campaigns.

Fulfillment expenses

Fulfillment expenses were RMB122.6 million for the year ended December 31, 2024, representing a 21.2% decrease from RMB155.7 million for the year ended December 31, 2023, primarily due to the optimized warehousing, packaging and delivery expenses.

Selling and marketing expenses

Selling and marketing expenses were RMB757.9 million for the year ended December 31, 2024, representing a 33.1% increase from RMB569.3 million for the year ended December 31, 2023. The increase was primarily due to an increase of RMB170.9 million in promotion and advertising expenses, as we introduced more sporting-themed marketing and brand-building activities.

Administrative expenses

Administrative expenses were RMB233.2 million for the year ended December 31, 2024, representing a 11.4% increase from RMB209.3 million for the year ended December 31, 2023, primarily attributable to an increase of RMB18.4 million in administrative personnel costs. The increase in administrative personnel costs was primarily due to the increase in share-based compensation expenses.

Research and development expenses

Research and development expenses were RMB439.0 million for the year ended December 31, 2024, representing a 2.4% decrease from RMB449.7 million for the year ended December 31, 2023, primarily attributable to the decreases of: (i) RMB17.3 million in research and development personnel costs (including related share-based compensation expenses); and (ii) RMB6.6 million in cloud computing service fees as we optimized the related expenses, partially offset by an increase of RMB12.7 million in outsourcing research and development costs for smart fitness devices innovation.

Income tax expense

Our income tax expense was RMB0.6 million for the year ended December 31, 2024 compared to nil for the year ended December 31, 2023. Income tax expense for the year ended December 31, 2024 was composed of a withholding tax for certain royalty license fees.

Fair value changes of convertible redeemable preferred shares

Fair value changes of convertible redeemable preferred shares were nil for the year ended December 31, 2024, compared with RMB1.4 billion for the year ended December 31, 2023. The fair value changes of convertible redeemable preferred shares before the Listing were primarily attributable to changes in the valuation of the Company. We did not record any further fair value changes of the convertible redeemable preferred shares following the Listing as preferred shares liabilities were redesignated and reclassified from liabilities to equity after automatically converting into ordinary shares upon the Listing.

(Loss)/profit for the year

As a result of the foregoing, loss for the year ended December 31, 2024 was RMB534.7 million, compared with a profit of RMB1.1 billion for the year ended December 31, 2023, primarily attributable to the fair value changes of convertible redeemable preferred shares of nil for the year ended December 31, 2024, compared with RMB1.4 billion for the year ended December 31 2023. Adjusted net loss (non-IFRS measures) was RMB469.6 million and RMB295.4 million for the years ended December 31, 2024 and 2023, respectively.

Non-IFRS measures

To supplement our consolidated financial information, which are presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"), we also use adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards.

We believe adjusted net loss provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of adjusted net loss has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net loss as (loss)/profit for the year, excluding share-based compensation expenses and fair value changes of convertible redeemable preferred shares. We exclude these items because they do not involve any cash outflow:

– Share-based compensation expenses primarily represent the non-cash employee benefit expenses incurred in connection with the 2016 Plan, the 2021 Plan, and the 2023 Plan. Such expenses in any specific period are not expected to result in future cash payments; and

– Fair value changes of convertible redeemable preferred shares mainly represent changes in the fair value of the convertible redeemable preferred shares issued by us and relate to changes in our valuation. We did not record any further fair value changes of the convertible redeemable preferred shares after the Listing as preferred shares liabilities were redesignated and reclassified from liabilities to equity after automatically converting into ordinary shares upon the Listing.

The following table reconciles our adjusted net loss for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards, which is (loss)/profit for the years ended December 31, 2024 and 2023:

	For the year ended December, 31	
	2024	2023
	RMB'000	*RMB'000*
Reconciliation of (loss)/profit to adjusted net loss (Non-IFRS measures):		
(Loss)/profit for the year	**(534,710)**	1,105,908
Adjustments for:		
Share-based payment expenses	**65,104**	30,935
Fair value changes of convertible redeemable preferred shares	**–**	(1,432,261)
Adjusted net loss for the year (Non-IFRS measures)	**(469,606)**	(295,418)

Liquidity and capital resource

For the year ended December 31, 2024, we funded our cash requirements primarily from historical equity financing activities. Our total available funds which we considered in cash management included but not limited to cash and cash equivalents, short-term time deposits, restricted bank deposits and short-term investments. The aggregate amount of our available funds was RMB1.2 billion as of December 31, 2024, compared to RMB1.8 billion as of December 31, 2023. Our cash and cash equivalents primarily consist of cash at bank, highly liquid deposits placed in banks with original maturities of three months or less and cash held at third party payment platform that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Our short-term time deposits were deposits placed in banks with original maturities of three months to one year at the date of acquisition. Our restricted bank deposits represent the minimum required balance of the deposits placed in certain bank account. Short-term investments primarily included wealth management products with maturities or lockup period within one year. As of December 31, 2024, most of the cash and cash equivalents, restricted bank deposits and short-term investments were denominated in U.S. dollar and RMB. The short-term time deposits were denominated in Singapore dollar as of December 31, 2024.

We had cash and cash equivalents of RMB764.3 million as of December 31, 2024, compared with RMB1.6 billion as of December 31, 2023. The decrease was primarily due to cash outflow from operating activities, investments in financial assets and repurchase of shares.

Significant investments

As at December 31, 2024, we did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets as of December 31, 2024.

Material acquisitions and/or disposals of subsidiaries, associates and joint ventures

We did not have any material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future plans for material investments and capital assets

As of the date of this annual report, we did not have specific future plans for material investments and capital assets.

Employee and remuneration

As of December 31, 2024, the Group had 827 full-time employees, as compared to 955 as at December 31, 2023. Total employee benefits for the year ended December 31, 2024 was RMB647.8 million, compared with RMB639.8 million for the year ended December 31, 2023.

Bank borrowings and gearing ratio

As of December 31, 2024, there is no outstanding borrowings.

As of December 31, 2024, the Group's gearing ratio (i.e. total liabilities divided by total assets) was 0.29, compared with 0.24 as of December 31, 2023.

The Board and the Audit Committee constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

Contingent liabilities

As of December 31, 2024, we did not have any material contingent liabilities or guarantees.

Pledge of assets

As of December 31, 2024, there was no material pledge of assets.

Interest rate risk and foreign exchange risk

We are exposed to insignificant interest rate risk. This is primarily attributable to the fact that the Group did not hold any significant assets or liabilities that were carried at floating rates. Our financial assets and liabilities are primarily composed of fixed-rate instruments and, as such, are not subject to frequent fluctuations in interest rates. This strategic financial stance has shielded our operations from the volatility often associated with varying interest rates and has contributed to our stable financial performance.

We operate mainly in the PRC with most of the transactions settled in RMB. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in currencies other than the respective functional currencies of our operating entities.

During the year ended December 31, 2024, exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant and we did not hedge against any fluctuation in foreign currency.

Biographies of Directors and Senior Management

The biographical details of the Directors and senior management as at the date of this annual report are set out as follows:

EXECUTIVE DIRECTORS

Mr. Wang Ning (王寧) aged 34, is an executive Director, the Chief Executive Officer, the Chairman of the Board, and the founder of our Company. Mr. Wang is responsible for the overall strategy, business direction and management of our Company.

Mr. Wang founded Keep in September 2014, immediately after he graduated from university. Mr. Wang received his bachelor's degree in computer science from Beijing Information Science and Technology University in July 2014.

Mr. Peng Wei (彭唯), aged 38, is an executive Director, vice president of online operations and co-founder of our Company. He has served as our Director since July 2015 and the vice president of online operations since October 2014. Mr. Peng leads and manages our Keep online platform, including content and user management.

Prior to joining our Group in October 2014, Mr. Peng was the product manager of Beijing Yuanli Future Technology Co., Ltd. (formerly known as Beijing Fenbi Future Technology Co., Ltd.) from July 2013 to October 2014. Mr. Peng received his bachelor's degree in psychology from Tianjin University of Commerce in June 2009 and master's degree in psychology from Peking University in July 2013.

Mr. Liu Dong (劉冬), aged 47, is an executive Director, vice president of consumer fitness products and co-founder of our Company. He has served as our director since April 2021 and vice president of consumer fitness products since September 2017. Mr. Liu is responsible for the overall strategy and operation of our smart fitness products business unit including smart devices.

Before joining our Group in October 2017, Mr. Liu was the co-founder and president of Qibai (Beijing) Technology Development Co., Ltd. from September 2014 to September 2017. From October 2009 to April 2013, Mr. Liu served as the president assistant of Sungy Mobile Limited. From October 2001 to September 2009, Mr. Liu served in various capacities at BenQ in China, including sales manager, product manager and manager of Beijing branch. Mr. Liu received his bachelor's degree in mechanical and electronic engineering from Xi'an Technological University in July 2000.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Ge Xin (葛新), aged 48, was appointed as an independent non-executive Director with effect from the Listing Date. Ms. Ge is the founding partner of G-Bridge Partners, an investment and advisory firm that focuses on cross-border business building and venture scaling, operating in Europe and Asia, since September 2022. Ms. Ge served as an advisor of Du Xiaoman from February 2022 to December 2022 and was a senior vice president and the chief financial officer of Du Xiaoman from May 2019 to January 2022. Prior to that, she served as a partner of Ares Management Private Equity Group from June 2014 to December 2018. From August 2005 to May 2014, Ms. Ge served as a managing director at the investment banking division at Goldman Sachs. She was a sponsor principal of Goldman Sachs (Asia) L.L.C. and a responsible officer from January 2012 to May 2014, in respect of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. She worked at PricewaterhouseCoopers in Beijing and San Francisco from July 1998 to June 2003. Ms. Ge has served as an independent non-executive director of Goldstream Investment Limited (stock code: 1328) since October 2024. Ms. Ge was a Certified Public Accountant in the United States. Ms. Ge received her dual bachelor's degrees in English literature and economics from Peking University in June 1998. She received her master's degree in business administration from Harvard Business School in June 2005.

Mr. Shan Yigang (單一剛), aged 52, was appointed as an independent non-executive Director with effect from the Listing Date. Mr. Shan has served as the executive director of KE Holdings Inc. (stock code: HKEX: 2423; NYSE: BEKE) since July 2018. He has been a director of Beijing Lianjia from December 2007 to September 2021. Prior to joining Beijing Lianjia, Mr. Shan was the co-founder of Dalian Haowangjiao Real Estate Brokerage Co., Ltd. from December 1999 to November 2007. Mr. Shan obtained his EMBA degree from Tsinghua University in January 2019.

Mr. Wang Haining (王海寧), aged 47, was appointed as an independent non-executive Director with effect from the Listing Date. Mr. Wang has served as the chairman and general manager of Happy Elements Technology (Beijing) Limited since February 2012 where he previously served as the executive director from July 2012 to February 2017. He founded Beijing Shuangyu Hudong Technology Development Co., Ltd. in October 2009. Prior to that, he served as the senior director of Renren Inc. (NYSE: RENN) from June 2007 to October 2009. From March 2005 to June 2007, he served as an account executive of SAP. He served as a high tech industry manager of Oracle from March 2004 to March 2005. Mr. Wang obtained his bachelor's degree in information technology from Wuhan University in July 2000.

SENIOR MANAGEMENT

Mr. Wang Ning (王寧), aged 34, is an executive Director, the Chief Executive Officer, the Chairman of the Board, and the founder of our Company. See "—Executive Directors" above.

Mr. Peng Wei (彭唯), aged 38, is an executive Director, vice president of online operations and co-founder of our Company. See "—Executive Directors" above.

Mr. Liu Dong (劉冬), aged 47, is our executive Director vice president of consumer fitness products and co-founder of our Company. See "—Executive Directors" above.

Mr. Xu Ce Evan (徐策), aged 44, is our chief financial officer, responsible for overseeing the finance, legal, risk management and the investing and financing activities of the Group. Mr. Xu has nearly 20 years of experience working as an investment banker and chief financial officer. Before joining the Group, Mr. Xu has held positions at several renowned institutions, including a director of investment banking division at Deutsche Bank AG, Hong Kong Branch, an associate and executive director at investment banking division of Goldman Sachs (Asia) L.L.C., and various roles at Citigroup, Lehman Brothers and Nomura Securities (Hong Kong) Limited, respectively, and also served as the chief financial officer of a former U.S. listed company. Mr. Xu received his bachelor's degree in computer engineering from the National University of Singapore in 2004 and his master's degree in information and computer engineering from the National University of Singapore in 2006.

Report of Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Company for the year ended December 31, 2024.

PRINCIPAL BUSINESS

The Company is a growing and result-oriented platform that provides users with a comprehensive fitness solution to help them achieve their fitness goals. We offer extensive and professional fitness content with AI-assisted personalized curriculum, encompassing recorded fitness courses and interactive live streaming classes, that dynamically adjust course content and workout intensity based on users' athletic levels, fitness goals, daily workout patterns and diet. Our content is complemented by a variety of smart fitness devices, fitness gear, apparel and food, which enables us to seamlessly connect the physical and digital realms to create an immersive, one-stop fitness experience.

There were no significant changes in the nature of the Group's principal activities during the year ended December 31, 2024.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated financial statements on pages 76 to 82 of this annual report.

DIVIDEND POLICY AND FINAL DIVIDENDS

The Company is a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends shall be paid only out of the profit for the year determined according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS Accounting Standards. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves until the aggregate amount of such fund reaches 50% or more of its registered capital, which are not available for distribution as cash dividends. Dividend distribution to our Shareholders is recognized as a liability in the period in which the dividends are approved by our Shareholders or Directors, where appropriate.

As at December 31, 2024, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

The Board did not recommend the payment of a final dividend for the year ended December 31, 2024.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to, the Shares, they are advised to consult an expert.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Wednesday, June 25, 2025. The notice of the AGM will be published or dispatched to the Shareholders (if necessary) in due course in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, June 20, 2025 to Wednesday, June 25, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Wednesday, June 25, 2025. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, June 19, 2025.

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the Group's performance during the year ended December 31, 2024, using financial key performance indicators and the material factors underlying its results and financial position as well as the outlook of the Group's business are provided in the "Management Discussion and Analysis" on pages 5 to 17 of this annual report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company is not aware of any significant event that might affect the Group since December 31, 2024 and up to the Last Practicable Date.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business involves certain risks as set out in the section headed "Risk factors" in the Prospectus. The material risks and uncertainties we face are set out below:

- We have a limited operating history under our evolving platform business model, and our historical growth and performance may not be indicative of our future growth and financial results.

- If we are unable to carry out our business strategies and manage our growth effectively, our brand, company culture, and financial performance may suffer.

- If we are unable to attract and retain users on our platform, or if user engagement and/or user spending decline, our business and results of operations may be materially and adversely affected.

- If we are unable to adapt the fitness content and related products and services offered on our platform to changes in user preferences and evolving industry trends in a timely manner, the demand for our fitness content and related products and services may decline, which could have an adverse effect on our business and rate of growth.

- The fitness industry in China is still in the early stages of growth and if it does not continue to grow, grows more slowly than we expect, or fails to reach the scale that we expect, our business, financial condition, and operating results may be adversely affected.

- Maintaining and enhancing our brand and corporate reputation is critical to our success. Negative publicity about us, our employees and third parties associated with our platform, including our fitness instructors and our content providers, may materially and adversely affect our brand, reputation, business and growth prospects.

- We cannot guarantee that our monetization strategies will be successfully implemented or generate sustainable revenue and profit.

- Our business generates, processes, collects and stores a large amount of data, and the unauthorized access, improper use or disclosure of such data could subject us to significant reputational, financial, legal and operational consequences, and deter current and potential users from using our services.

- Misbehavior or unsatisfactory performance of the fitness influencers we collaborated with could harm our reputation and potentially our operation results and financial performance.

- We operate in a fast-evolving industry and may not be able to compete effectively.

- If the PRC government finds that the agreements that establish the structure for operating some of our operations in China do not comply with PRC regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

- We may be adversely affected by the complexity, uncertainties and changes in PRC laws and regulation, and any lack of requisite approvals, licenses, permits or registrations applicable to our business may have a material adverse effect on our business, financial conditions and results of operations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a company offering a comprehensive fitness solution to the society, we believe that our business inherently promotes low-carbon lifestyle and healthy living following the Environmental, Social and Governance ("**ESG**") principles. We believe our continued growth depends on our integration of ESG values into our corporate strategies and operations. With the unprecedented challenges regarding climate change, we have become more active to take on social responsibilities and we will continue to bring fitness to everyone in our society. We are committed to operating on an ethical and compliant basis and elevating user experience through technological innovation. We will continue to promote a diverse and inclusive environment for talents, and pursue environmentally friendly operations following the principles of low carbon economy, thereby contributing to public welfare and helping build a sustainable community.

The environmental and social matters that have a significant impact on the Group will be disclosed in the ESG Report.

LEGAL PROCEEDINGS AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

We may from time to time become a party to various legal proceedings arising in the ordinary course of business. Directors confirm that, during the year ended December 31, 2024 and up to the Latest Practicable Date, we had not involved in any litigation, arbitration or administrative proceeding against us or any of our Directors that could have a material and adverse effect on our business, financial conditions or results of operations. Furthermore, to the knowledge of our Directors, there is no pending or foreseeable litigation, arbitration or administrative proceeding against us or any of our Directors that could cause a material and adverse effect on our business, financial conditions or results of operations.

During the year ended December 31, 2024 and up to the Latest Practicable Date, the Group had complied with the laws in all material respects, including the requirements under the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Corporate Governance Code contained in Appendix C1 to the Listing Rules) for, among other things, the disclosure of information and corporate governance.

FIVE YEAR FINANCIAL SUMMARY

A summary of the Company's results, assets, liabilities and equity for the last five financial years are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

RELATIONSHIP WITH STAKEHOLDERS

Employees

As at December 31, 2024, we had a total of 827 full time employees. Substantially all of our employees are based in the PRC.

We primarily recruit our employees through on-campus job fairs, recruitment agencies and online channels including our corporate websites and social networking platforms. We have designed diversified learning and development programs for different job groups, and continuously improve the internal training system. We provide newcomer training for new employees to enable them to learn about the company's overview, management principles, business segments, etc. We have launched hierarchical training programs for management to help all types of managers better perform their duties. We also offer a range of training programs for coaches. In addition to new coach induction training, we organize quarterly learning sessions to ensure that coaches are familiar with our business and norms.

In accordance with the rules and regulations in the PRC, we participate in the applicable housing provident funds and various social insurance plans for employees initiated by local and provincial governments. The Group and the PRC based employees are required to make monthly contributions to these plans calculated as a specific percentage of the employees' salaries.

We enter into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics and non-competition with all of our executive officers and the vast majority of our employees. These contracts typically include a non-competition provision and a confidentiality provision effective during and after their employment with us.

None of our employees are currently represented by labor unions. We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations during the year ended December 31, 2024 and up to the Latest Practicable Date.

Major Customers and Suppliers

Our customers include users who purchase our fitness content and products, advertisers who post advertisements of their content, products and services on our online platform and wholesale channels that we use for selling our self-branded fitness products. For the year ended December 31, 2024, the respective percentage of sales attributable to the Group's five largest customers in aggregate was less than 30%. The top five customers are primarily wholesale channels that purchased our self-branded products and advertising companies who purchased our online advertising service, while our largest customer was a wholesale channel that purchased our self-branded products.

Our suppliers primarily consist of raw materials, components and finished goods suppliers, third-party application stores and other payment channels, advertising and marketing service providers, warehousing, packaging and delivery suppliers, third-party platform suppliers, data storage, server hosting, and bandwidth providers and fitness content providers. For the year ended December 31, 2024, the respective percentage of purchases attributable to the Group's five largest suppliers in aggregate was less than 30%.

So far as our Directors are aware, none of our Directors or executive officers of our Company or its subsidiaries, their respective associates or any Shareholders holding more than 5% of the issued share capital of our Company, had any interests in any of our five largest suppliers and customers during the year ended December 31, 2024 and up to the Latest Practicable Date.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2024 are set out in note 25 to the consolidated financial statements.

As at December 31, 2024, the issued share capital of the Company was 525,671,987 Shares (including 8,027,900 treasury shares).

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2024 are set out on pages 80 to 81 in the consolidated statement of changes in equity in this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2024, the Company's reserve available for distribution to Shareholders amounted to RMB5,311.5 million.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year ended December 31, 2024 are set out in Note 15 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

During the year ended December 31, 2024 and as at the Latest Practicable Date and based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management of the Company during the year ended December 31, 2024 and up to the Latest Practicable Date are set out below:

Name	Position(s) in the Company
Directors	
Wang Ning	Executive Director, Chairman, Chief Executive Officer and Founder
Peng Wei	Executive Director, Vice President of Online Operations and Co-founder
Liu Dong	Executive Director, Vice President of Consumer Fitness Products and Co-founder
Li Haojun	Non-executive Director *(resigned on December 27, 2024)*[Note]
Ge Xin	Independent non-executive Director
Shan Yigang	Independent non-executive Director
Wang Haining	Independent non-executive Director
Senior management	
Wang Ning	Executive Director, Chairman, Chief Executive Officer and Founder
Peng Wei	Executive Director, Vice President of Online Operations and Co-founder
Liu Dong	Executive Director, Vice President of Consumer Fitness Products and Co-founder
Huang Weibo	Chief Financial Officer *(resigned on October 7, 2024)*
Xu Ce Evan	Chief Financial Officer *(appointed on October 7, 2024)*

Note: Mr. Li Haojun resigned as a non-executive Director due to adjustment of work arrangement.

To the best of the Directors' knowledge, information and belief, save as disclosed in this annual report, the Directors and senior management do not have any relationship amongst them.

In accordance with Article 15.1 of the Articles of Association, Wang Ning, Wang Haining and Shan Yigang will retire by rotation, and being eligible, have offered themselves for re-election as Directors at AGM.

Biographical details of the Directors and senior management are set out on pages 18 to 19 of this annual report.

SERVICE CONTRACTS OR LETTERS OF APPOINTMENT OF DIRECTORS

Each of our executive Directors entered into a service contract with our Company. The term of appointment shall be for an initial term of three years from the Listing Date. The appointment shall, subject always to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three (3) years until terminated in accordance with the service contract or by either party giving to the other not less than three (3) months prior notice in writing.

Each of non-executive Director and independent non-executive Directors entered into an appointment letter with our Company. The term of appointment shall be for an initial term of three years from the Listing Date. The appointment shall, subject always to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three (3) years until terminated in accordance with the appointment letters or by either party giving to the other not less than three (3) months prior notice in writing.

The appointment of Directors is subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors has or is proposed to have a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his or her independence. The Company considers all of the independent non-executive Directors to be independent during the year ended December 31, 2024 and remain so as of the Latest Practicable Date.

CHANGE OF INFORMATION OF DIRECTORS

Ms. Ge Xin, an independent non-executive Director, was a director of Hyperganic Pte. Ltd., a private company limited by shares incorporated in Singapore, until January 2025 and a director of Hyperganic Technologies GmbH, a private company limited by shares incorporated in Germany, until September 2024. Both companies are currently undergoing creditors' voluntary liquidation (the "**Proceedings**") in Singapore and Germany, respectively. As of the Latest Practicable Date, there have been no material developments in respect of the Proceedings since the publication of the announcement of the Company on March 25, 2025.

Save as disclosed in this annual report, there had been no other changes to the Directors' and chief executive's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of 2024 interim report of the Company and up to the Latest Practicable Date.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long Positions in the Company's Shares

Name of Director	Nature of interest	Number of Shares and underlying Shares held	Approximate percentage of interest in the Company
Mr. Wang Ning(1)	Interest in controlled corporation	78,469,806	14.93%
	Interest in controlled corporation	8,909,312	1.69%
	Beneficial owner	1,500,000	0.29%
Mr. Peng Wei(2)	Interest in controlled corporation	10,621,480	2.02%
	Beneficial owner	1,500,000	0.29%
Mr. Liu Dong(3)	Interest in controlled corporation	5,561,499	1.06%
	Beneficial owner	1,510,000	0.29%

Notes:

(1) Each of Persistent Courage Holdings Limited and Lightmap Limited holds 78,469,806 and 8,909,312 Shares respectively, and each of them is wholly owned by Arrow Factory Limited, which is controlled by Starmap Trust, a trust controlled by Mr. Wang Ning ("**Mr. Wang**") and in which Mr. Wang is the settlor and sole beneficiary. Additionally, Mr. Wang is beneficially interested in 1,500,000 Shares, which underlines the outstanding restricted shares units ("**RSUs**") granted to him under the Post-IPO Share Incentive Plan. For details, please refer to the circular of the Company dated May 28, 2024 and the section headed "Post-IPO Share Incentive Plan" of this annual report.

(2) Mr. Peng Wei ("**Mr. Peng**") holds his interests in our Company through his controlled corporation, Metropolis Olympia Holdings Limited, which holds 10,621,480 Shares. Metropolis Olympia Holdings Limited is wholly-owned by Pacinoson Limited, which in turn is controlled by a trust that is controlled by Mr. Peng and in which Mr. Peng is the settlor and sole beneficiary. Under the SFO, Mr. Peng is deemed to be interested in all the interests in our Company held by Metropolis Olympia Holdings Limited. Additionally, Mr. Peng is beneficially interested in 1,500,000 Shares, which underlines the outstanding RSUs granted to him under the Post-IPO Share Incentive Plan. For details, please refer to the circular of the Company dated May 28, 2024 and the section headed "Post-IPO Share Incentive Plan" of this annual report.

(3) Mr. Liu Dong ("**Mr. Liu**") is beneficially interested in 1,510,000 Shares, which underlines the 1,500,000 outstanding RSUs and 10,000 outstanding options granted to him under the Post-IPO Share Incentive Plan and 2016 Plan, respectively. Mr. Liu holds additional interests in our Company through his controlled corporation, Bulldog Group Ltd, which holds 5,561,499 Shares, of which 990,000 of the Shares were awarded to Mr. Liu pursuant to the Pre-IPO Share Incentive Plans and are held by Bulldog Group Ltd as restricted shares (with restrictions on transfer, voting and income) until the relevant vesting and exercise conditions are fulfilled. Bulldog Group Ltd is ultimately wholly controlled by a trust in which Mr. Liu is the settlor and sole beneficiary. Under the SFO, Mr. Liu is deemed to be interested in all the interest in our Company held by Bulldog Group Ltd. For details, please refer to the circular of the Company dated May 28, 2024 and the section headed "Post-IPO Share Incentive Plan" of this annual report.

(4) As at December 31, 2024, the total number of issued Shares (including treasury shares) was 525,671,987. The above calculation is based on the total number of Shares (including treasury shares) as of December 31, 2024.

Save as disclosed above, none of the Directors or chief executive of the Company had registered an interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at December 31, 2024.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2024, to the best of the knowledge of the Company and the Directors, the followings are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Interests in the Shares and Underlying Shares of the Company

Name of shareholders group	Nature of interest	Number of Shares and underlying Shares held	Approximate percentage of interest in the Company[8]
Mr. Wang Ning[1]	**Beneficial owner**	**1,500,000**	**0.29%**
	Interest in controlled corporations	**87,379,118**	**16.62%**
Lightmap Limited	Beneficial owner	8,909,312	1.69%
Persistent Courage Holdings Limited	Beneficial owner	78,469,806	14.93%
GGV Shareholders[2]	**Interest in controlled corporation**	**75,814,900**	**14.42%**
GGV Capital Select L.P.*	Beneficial owner	22,301,580	4.24%
GGV Capital V L.P.	Beneficial owner	44,557,380	8.48%
GGV Capital V Entrepreneurs Fund L.P.*	Beneficial owner	1,635,240	0.31%
GGV VII Investments Pte. Ltd.*	Beneficial owner	7,320,700	1.39%
Futu Trustee Limited[3]	**Custodian**	**859,978**	**0.16%**
	Trustee	**52,294,522**	**9.94%**
Calorie Partner Limited	Beneficial interest	41,603,170	7.91%
Calorie Fortune Limited*	Beneficial interest	10,691,352	2.03%
SVF II Calorie Subco (DE) LLC[4]			
SVF II Calorie Subco (DE) LLC	Beneficial owner	44,922,180	8.54%

Name of shareholders group	Nature of interest	Number of Shares and underlying Shares held	Approximate percentage of interest in the Company(8)
5Y Capital(5)	**Interest in controlled corporations**	**33,515,942**	**6.38%**
Morningside China TMT Fund IV, L.P.*	Beneficial owner	25,738,306	4.90%
Morningside China TMT Fund IV Co-Investment, L.P.*	Beneficial owner	2,669,782	0.51%
Morningside China TMT Special Opportunity Fund II, L.P.*	Beneficial owner	959,463	0.18%
Evolution Special Opportunity Fund I, L.P.*	Beneficial owner	3,607,298	0.69%
Evolution Fund I Co-investment, L.P.*	Beneficial owner	541,093	0.10%
JenCap(6)	**Interest in controlled corporations**	**29,509,020**	**5.62%**
JenCap Squad*	Beneficial owner	26,053,100	4.96%
JenCap Squad I L.P.*	Beneficial owner	3,455,920	0.66%
BAI GmbH(7)			
BAI GmbH	Beneficial owner	28,038,500	5.33%

Notes:

* These entities are not substantial shareholders as they will not have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, and will not be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group. These entities are disclosed in this table for the sake of completeness. For the avoidance of doubt, any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

(1) Each of Persistent Courage Holdings Limited and Lightmap Limited is wholly owned by Arrow Factory Limited, which is controlled by Starmap Trust, a trust controlled by Mr. Wang and in which Mr. Wang is the settlor and sole beneficiary. Accordingly, Mr. Wang, Trident Trust Company (HK) Limited and Arrow Factory Limited are deemed or taken to be interested in the Shares in which Persistent Courage Holdings Limited and Lightmap Limited are interested in under the SFO, on an aggregated basis. Additionally, Mr. Wang is beneficially interested in 1,500,000 Shares, which underlines the outstanding RSUs granted to him under the Post-IPO Share Incentive Plan.

(2) GGV Capital Select L.P. is controlled by GGV Capital Select L.L.C. GGV Capital V L.P. is controlled by GGV Capital V L.L.C. GGV Capital V Entrepreneurs Fund L.P. is controlled by GGV Capital V L.L.C. GGV VII Investments Pte. Ltd. is ultimately controlled by GGV Capital VII L.L.C. GGV Capital Select L.L.C., and GGV Capital V L.L.C. and GGV Capital VII L.L.C. are controlled by Lee Hongwei Jenny, Jeff Richards, Jixun Foo, Glenn Solomon and Hans Tung.

(3) Futu Trustee Limited is the trustee of the trusts which hold 100% of the interest of Calorie Partner Limited and Calorie Fortune Limited, which hold Shares on behalf of participants of the Pre-IPO Share Incentive Plans who are not close associates of our Company. Accordingly, Futu Trustee Limited is deemed to be or taken to be interested in the Shares held by corporations controlled by the trusts in which it is trustee under the SFO, on an aggregated basis. Additionally, Futu Trustee Limited is interested in 859,978 Shares in its capacity as custodian.

(4) SVF II Calorie Subco (DE) LLC ("**SVF**") is a special purpose vehicle indirectly majority owned by SoftBank Vision Fund II-2 L.P. ("**SVF Fund II**") through SVF II Aggregator (Jersey) L.P., SVF II Holdings (DE) LLC, SVF II Investment Holdings LLC and SVF II Investment Holdings (Subco) LLC. The sole member of SVF is SVF II Investment Holdings (Subco) LLC ("**SVF II Investment Subco**") and the sole member of SVF II Investment Subco is SVF II Investment Holdings LLC. SB Global Advisers Limited ("**SBGA**") has been appointed as manager and is responsible for making all decisions related to the acquisition, structuring, financing and disposal of SVF Fund II's investments, including as held by SVF. SB Global Advisers Capital Markets Limited is wholly owned by SBGA. The general partner of SVF Fund II is SVF II GP (Jersey) Limited, which is ultimately wholly owned by SoftBank Group Corp. SBGA is wholly owned by SoftBank Group Corp.

Accordingly, SBGA, SB Global Advisers Capital Markets Limited, SoftBank Group Corp., SVF Fund II-2, SVF II GP (Jersey) Limited, SVF II Aggregator (Jersey) L.P., SVF II Holdings (DE) LLC and SVF II Investment Holdings LLC, are deemed or taken to be interested in the Shares in which SVF II Calorie Subco (DE) LLC is interested in under the SFO.

(5) Morningside China TMT Fund IV, L.P.*, Morningside China TMT Fund IV Co-Investment, L.P.* and Morningside China TMT Special Opportunity Fund II, L.P. *are controlled by its general partner, Morningside China TMT GP IV, L.P. Morningside China TMT GP IV, L.P., is controlled by its general partner, TMT General Partner Ltd. Each of Liu Qin, Shi Jianming and Morningside Venture (VII) Investments Limited is entitled to exercise or control the exercise of one-third of the voting power of all issued shares in TMT General Partner Ltd. at its general meeting. Morningside Venture (VII) Investments Limited is indirectly 100% held by the Landmark Trust Switzerland SA as trustee of a discretionary trust established by Mme. Chan Tan Ching Fen for the benefit of certain members of her family and other charitable objects. Evolution Special Opportunity Fund I, L.P.* and Evolution Fund I Co-investment, L.P.* are controlled by their general partner 5Y Capital GP Limited. Liu Qin is entitled to exercise or control the exercise of 100% of the voting power of all issued shares in 5Y Capital GP Limited at its general meeting.

(6) JenCap Squad* is wholly owned by Jeneration Capital Partners II L.P., which is controlled by its general partner, Jeneration Capital GP II. JenCap Squad I L.P.*, is controlled by its general partner JenCap Squad I GP. Jeneration Capital GP II and JenCap Squad I GP are ultimately controlled by Jimmy Ching-Hsin Chang through a series of 100% owned holding companies, Jeneration Group Limited and Purple Panther. Leung Catherine Ho Yan is the spouse of Jimmy Ching-Hsin Chang.

Accordingly, Jimmy Ching-Hsin Chang, Leung Catherine Ho Yan, Purple Panther and Jeneration Group Limited are deemed or taken to be interested in the Shares in which JenCap Squad* and JenCap Squad I L.P.* are interested in under the SFO, on an aggregated basis.

(7) BAI GmbH is wholly owned by Reinhard Mohn GmbH. Reinhard Mohn GmbH is wholly owned by Bertelsmann SE&Co. KGaA, which is controlled by Bertelsmann Verwaltungsgesellschaft mbH. Bertelsmann Verwaltungsgesellschaft mbH is controlled by Mr. Christoph Mohn. Bertelsmann SE&Co. KGaA is also indirectly non-wholly owned/controlled by Bertelsmann Stiftung through a series of holding/controlling entities, Bertelsmann Management SE, Reinhard Mohn Verwaltungsgesellschaft mit beschränkter Haftung and Johannes Mohn Gesellschaft mit beschränkter Haftung. Bertelsmann Stiftung is a non-profit foundation with no shareholders. Mohn Shobhna is the spouse of Mohn Christoph.

Accordingly, Bertelsmann Stiftung, Johannes Mohn Gesellschaft mit beschränkter Haftung, Reinhard Mohn Verwaltungsgesellschaft mit beschränkter Haftung, Bertelsmann Management SE, Bertelsmann Verwaltungsgesellschaft mbH, Bertelsmann SE & Co. KGaA, Reinhard Mohn GmbH, Mohn Christoph and Mohn Shobhna are deemed or taken to be interested in the Shares in which BAI GmbH is interested in under the SFO.

(8) As at December 31, 2024, the total number of issued Shares (including treasury shares) was 525,671,987. The above calculation is based on the total number of Shares (including treasury shares) as at December 31, 2024.

Save as disclosed above, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at December 31, 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

ISSUANCE OF DEBENTURES

During the year ended December 31, 2024, no issuance of debentures was made by the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

To the knowledge of the Board, none of the Directors (excluding independent non-executive Directors) or their respective associates (as defined in the Listing Rules) had any interests in any business which competes or is likely to compete, directly or indirectly, with the businesses of the Group for the year ended December 31, 2024.

CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions of the Group, which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENTS

Background

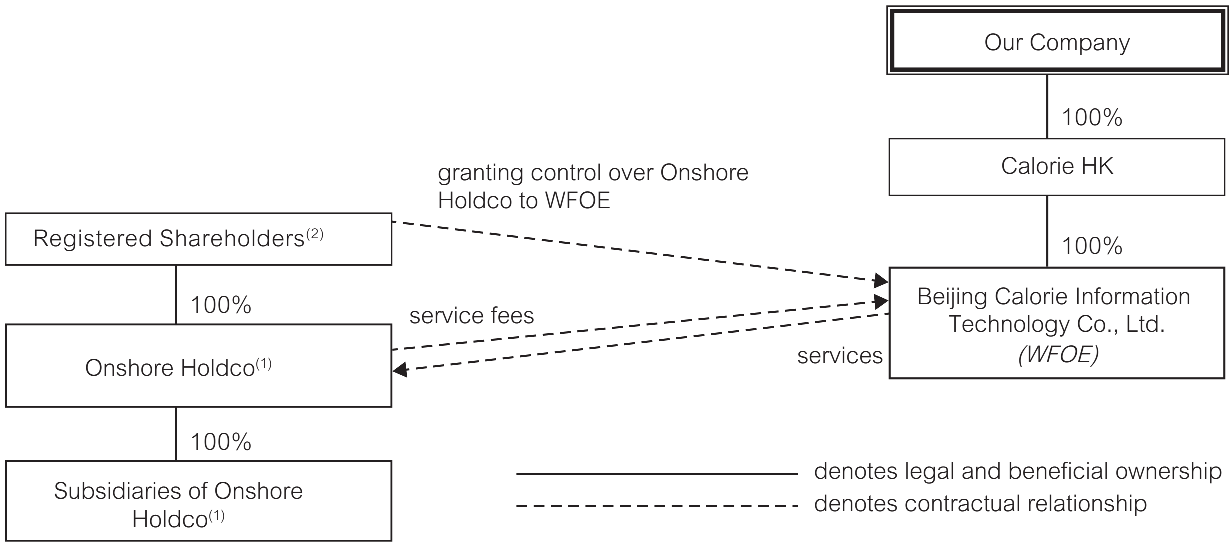
Due to foreign investment restrictions under PRC Laws, our Company is unable to own or hold any direct equity interest in our Consolidated Affiliated Entities conducting our businesses. This is because our Group operates, within China, (a) businesses that are prohibited from any foreign investment; and (b) businesses that are subject to foreign investments restrictions, but because these restricted businesses form part of, and cannot be separated from, the entities/platforms that operate prohibited businesses and/or the operation of prohibited businesses themselves, the Company must keep these business operations under its variable interest entity structure and cannot hold any equity interest in the entities operating these businesses under current applicable PRC laws. Accordingly, due to these foreign investment prohibitions and restrictions, we operate relevant businesses through our Onshore Holdco (Calorie Technology) and its subsidiaries. We do not directly own equity interest in Onshore Holdco, which is held by the Registered Shareholders.

The agreements underlying the Contractual Arrangements provide a mechanism through which: (a) economic benefits of Onshore Holdco are able to be transferred to us through the Consulting and Services Agreement and the Business Cooperation Agreement (each defined below); and (b) we are able to control Onshore Holdco through the Option Agreement, the Share Pledge Agreements, and the Powers of Attorneys (each defined below). Pursuant to this arrangement, all substantial and material business decisions of Onshore Holdco (and its subsidiaries) will be instructed and supervised by our Group, through our WFOE (Beijing Calorie Information Technology Co., Ltd.), and all risks arising from Onshore Holdco's (and its subsidiaries') business are also effectively borne by our Group as a result of the Consolidated Affiliated Entities being treated as our controlled subsidiaries; accordingly, we are entitled to economic benefits generated by the Consolidated Affiliated Entities business through the Contractual Arrangements.

The following table summarizes the prohibited and restricted businesses operated by our Group:

	Prohibited/restricted category	**Our business activities**
Foreign investment prohibited	Transmission of audio-visual programs	Recorded fitness video courses business Live streaming business
	Internet culture business	Recorded fitness video courses business Live streaming business *Keeper* community
	Radio and television program production	Recorded fitness video courses business
Foreign investment restricted	Value-added telecommunication services	Operation of the *Keep* app is a restricted business

The following simplified diagram illustrates our VIE structure under the Contractual Arrangements:



Notes:

(1) These constitute our Consolidated Affiliated Entities.

(2) The Registered Shareholders are four individuals. Mr. Wang Ning, Mr. Peng Wei, Mr. Wen Chunpeng and Mr. Liu Dong, who each holds 85.4%, 8.1%, 4.8% and 1.7% equity interest in Onshore Holdco, respectively. Mr. Wang is our founder and serves as the chairman of our Board and executive officer of our company. Mr. Peng and Mr. Liu are our co-founders, Directors and part of senior management of our Company. Mr. Wen is our co-founder, an employee and a director of certain subsidiaries.

Summary of the Contractual Arrangements

Consulting and Services Agreement

Under the amended and restated exclusive consulting and services framework agreement dated December 27, 2021 entered into by WFOE and Onshore Holdco (the "**Consulting and Services Agreement**"), WFOE will provide (a) support services to Onshore Holdco based on the needs of its primary businesses; and (b) administrative support services (e.g., finance, legal and human resources services) to Onshore Holdco, based on the needs of its daily operations. In consideration, Onshore Holdco will pay WFOE service fees based on the cost of services with a markup determined by the parties. Additionally, all intellectual property rights (including copyrights, patents, technical know-how and trade secrets) arising from the performance of this agreement would exclusively belong to and be the right of WFOE, and WFOE shall be held harmless by Onshore Holdco. This agreement is for an initial term of three years, and automatically renewed by two-year periods thereafter, unless otherwise expressly provided by law (in which case the WFOE may, at its sole discretion, determine whether to renew is agreement). Onshore Holdco may not terminate this agreement except as expressly required by law.

Business Cooperation Agreement

Under the amended and restated exclusive business cooperation agreement dated December 27, 2021 entered into by WFOE, Onshore Holdco and the Registered Shareholders (the "**Business Cooperation Agreement**"), among other things, (a) the Registered Shareholders undertook that the Onshore Holdco will not to engage in transactions that could materially affect the assets, business, personnel, rights, obligations or operations of Onshore Holdco without the written consent of WFOE or its designated party; and (b) Onshore Holdco and the Registered Shareholders agree to appoint WFOE's candidate as Onshore Holdco's director or remove or replace any director or senior manager, and accept WFOE's recommendation on employment, daily management of operations, and financial management matters in respect of Onshore Holdco. This agreement is for an initial term of fifteen years, and may be extended upon WFOE's request. Additionally, WFOE may terminate this agreement at any time; but neither Onshore Holdco nor the Registered Shareholders has a right to terminate this agreement. Additionally, all rights and obligations under this agreement will be binding on the parties' successors and assignees, and in particular, WFOE's successors (including administrators and liquidators) may inherit WFOE's rights and obligations under this agreement.

Option Agreement

Under the amended and restated exclusive transfer option agreement dated December 27, 2021 entered into by WFOE, Onshore Holdco and the Registered Shareholders (the "**Option Agreement**"), each Registered Shareholder granted to WFOE or its designated person an irrevocable and exclusive option to acquire, at any time, all their equity interests in Onshore Holdco at the minimum price permissible under PRC Laws. The option period is from the agreement date until all Registered Shareholders have transferred all their equity interests in Onshore Holdco to WFOE or its designated person.

Share Pledge Agreements

On December 27, 2021, each Registered Shareholder entered into an amended and restated share pledge agreement with WFOE and Onshore Holdco (the "**Share Pledge Agreements**"). Under these agreements, each Registered Shareholder pledged all their equity interest in Onshore Holdco, held from time to time, to WFOE to guarantee performance under the Contractual Arrangements by the shareholder and Onshore Holdco. The pledge period is from the agreement date until all contractual obligations are fulfilled or guaranteed debts fully paid off.

To preserve the pledged interests, each Registered Shareholder undertook that, among others: (i) the pledged interests will not be transferred or encumbered without WFOE's prior written consent; and (ii) any rights over the pledged interests enjoyed by WFOE shall not be prejudiced by the Registered Shareholder or their successor or any other person at any time and in any manner, and the Registered Shareholder shall take all necessary and required measures and execute all necessary and required documents to assist WFOE in realizing its rights over the pledged interests.

Powers of Attorney

On December 27, 2021, each Registered Shareholder granted an amended and restated power of attorney (the "**Powers of Attorney**"), under which the Registered Shareholder irrevocably appointed WFOE or its designated person to act as the Registered Shareholder's attorney-in-fact ("**attorney-in-fact**") with respect to all rights attached to equity interests in Onshore Holdco held by the Registered Shareholder from time to time. To avoid conflicts of interest, the attorney-in-fact shall not be Onshore Holdco's shareholder or persons who are not independent or may have conflicts of interest. Other than this, the attorney-in-fact may be a director of our Group (who does not have a material conflict of interest) and an administrator or liquidator of WFOE. Each Power of Attorney remains in effect until the Registered Shareholder ceases to be a shareholder of Onshore Holdco.

Spousal Consents

Each spouse of the Registered Shareholders has, where applicable, undertaken: (i) not to take any action with the intent to interfere with the arrangements under the Contractual Arrangements, including making any claim that such equity interest constitutes the property or community property; (ii) to unconditionally and irrevocably waive any and all rights or entitlements whatsoever to such equity interest that may be granted to the spouse according to any applicable laws; and (iii) to the extent the spouse acquires any equity interest in Onshore Holdco, to enter into a set of contractual arrangements with the same or comparable terms as the Contractual Arrangements.

Risks relating to the Contractual Arrangements

There are certain risks that are associated with the Contractual Arrangements, including:

(a) If the PRC government finds that the agreements that establish the structure for operating some of our operations in China do not comply with PRC regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

(b) The contractual arrangements with our VIE and its shareholders may not be as effective as direct ownership in providing operational control.

1. Any failure by our VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

2. The shareholders of our VIE may have actual or potential conflicts of interest with us.

3. The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

4. Contractual arrangements in relation to our VIE may be subject to scrutiny by the PRC tax authorities and they may determine that we or our VIE owes additional taxes, which could negatively affect our financial condition and the value of your investment.

5. We may lose the ability to use and enjoy assets held by our VIE that are critical to the operation of our business if our VIE declare bankruptcy or become subject to a dissolution or liquidation proceeding.

For further details of these risks, please refer to the section headed “Risk Factors – Risks Related to Our Contractual Arrangements” of the Prospectus.

Compliance with the Contractual Arrangements

Our Group works closely with the Registered Shareholders to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements to mitigate the risks associated with the Contractual Arrangements.

Our Group has adopted the following measures to ensure its effective operation with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

(a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory inquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

(b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and

(d) our Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and Onshore Holdco to deal with specific issues or matters arising from the Contractual Arrangements.

Material Changes

As of the Latest Practicable Date, there was no material change in the Contractual Arrangements and/or the circumstances under which the Contractual Arrangements were adopted.

Unwinding of the Contractual Arrangements

As of the Latest Practicable Date, there had not been any unwinding of any Contractual Arrangements, nor has there been any failure to unwind any Contractual Arrangements when the restrictions that led to the adoption of the Contractual Arrangements are removed.

Listing Rules Implications

The transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into by, among others, Calorie Technology (or any of its subsidiaries in the future) and any member of our Group technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, as certain parties to the Contractual Arrangements, namely, the persons listed above, are connected persons of the Company.

Waiver from the Stock Exchange

The Stock Exchange has granted our Company in respect of the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into by, among others, Calorie Technology (or any of its subsidiaries in the future) and any member of our Group, (i) a waiver from strict compliance with the announcement, circular and independent shareholders' approval (including recommendation from an independent financial adviser) requirements under Chapter 14A of the Listing Rules; (ii) a waiver from strict compliance with the requirement to set a term of not exceeding three years under Rule 14A.52 of the Listing Rules; and (iii) a waiver from strict compliance with the requirements to set monetary annual caps under Rule 14A.53(1) of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject to the following conditions:

(a) no change without independent non-executive Directors' approval;

(b) no change without independent Shareholders' approval;

(c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the PRC Consolidated Entities; and

(d) the Contractual Arrangements may be renewed and/or reproduced upon expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Contractual Arrangements.

Confirmations

The independent non-executive Directors have reviewed the continuing connected transactions outlined above, and confirmed that such continuing connected transactions had been entered into:

(1) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the agreements governing such transactions;

(2) no dividends or other distributions have been made by the Onshore Holdco to the holders of the equity interests of the Onshore Holdco which are not otherwise subsequently assigned or transferred to the Group; and

(3) any new contracts entered into, renewed or reproduced between the Group and the Onshore Holdco during the Reporting Period are fair and reasonable, or advantageous, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

The revenue of Onshore Holdco subject to the Contractual Arrangements amounted to RMB994.3 million for the year ended December 31, 2024. The total assets of Onshore Holdco subject to the Contractual Arrangements amounted to RMB1,575.9 million as at December 31, 2024.

RSM Hong Kong, the Company's auditor, was engaged to report on the Group's continuing connected transactions in according with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. RSM Hong Kong have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of Listing Rules.

The auditor of the Company confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions:

(1) nothing has come to their attention that causes them to believe that the transactions have not been approved by the Board;

(2) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with relevant agreements governing such transactions; and

(3) nothing has come to their attention that causes them to believe that for the transactions with the WFOE and the Onshore Holdco under the Contractual Arrangements, dividends or other distributions have been made by the Onshore Holdco to the holders of the equity interests of the Onshore Holdco which are not otherwise subsequently assigned or transferred to the Group.

The Company has complied with the applicable requirements under the Listing Rules in respect of connected transactions and continuing connected transactions engaged in by the Group during the year ended December 31, 2024.

RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out in the normal course of business are set out in Note 37 to the consolidated financial statements. During the year ended December 31, 2024, none of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules for which disclosure is required, and the Company has complied with the requirements under Chapter 14A of the Listing Rules in respect of the Contractual Arrangement as set out in "Continuing Connected Transactions – Contractual Arrangements" in this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no Director or an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during the Reporting Period.

CONTRACT OF SIGNIFICANCE

No contract of significance was entered into between the Company, or one of its subsidiary companies, and the largest shareholder of the Company or any of its subsidiaries during the year ended December 31, 2024. At no time during the Reporting Period had the Company or any of its subsidiaries, and its largest shareholders of the Company or any of their subsidiaries (as the case may be) entered into any contract of significance or any contract of significance for the provision of services by any such largest shareholders or their subsidiaries (as the case may be) to the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2024 between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

DIRECTORS' PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions arising out of corporate activities against the Directors and officers of the Company and its associated companies during the year ended December 31, 2024 and up to the Latest Practicable Date.

Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

Subject to the relevant laws and regulations, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

STAFF, EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Company offers competitive remuneration packages to the Directors, including among others, salaries, bonuses, share-based compensation and other employee benefits. The packages were set by benchmarking with companies in similar industries, companies with similar size in the market, volume and complexity of work. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

The Company offers competitive salaries to our employees and conduct employee performance evaluations twice a year, taking the results of these evaluations as an important basis for adjusting employee bonus programs in order to motivate our employees. For key employees with excellent performance and development potential, we also provide them with equity option incentive programs. Our Group's remuneration policies are reviewed regularly.

In accordance with the rules and regulations in the PRC, we participate in the applicable housing provident funds and various social insurance plans for employees initiated by local and provincial governments. The Group and the PRC based employees are required to make monthly contributions to these plans calculated as a specific percentage of the employees' salaries. During the year ended December 31, 2024, there was no forfeiture of contributions under the defined contribution plans of the Group, and there were no forfeited contributions had been used by the Group to reduce the existing level of contributions.

We have designed diversified learning and development programs for different job groups, and continuously improve the internal training system. We provide newcomer training for new employees to enable them to learn about the company's overview, management principles, business segments, etc. We have launched hierarchical training programs for management to help all types of managers better perform their duties. We also offer a range of training programs for coaches. In addition to new coach induction training, we organize quarterly learning sessions to ensure that coaches are familiar with our business and norms. We also provide promotion opportunities for capable employees as we have policies and procedures setting out the assessment criteria for promotion.

The Remuneration Committee was set up for reviewing the Group's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

Details of the emoluments of the Directors and five highest paid individuals for the year ended December 31, 2024 are set out in Note 9(c) and Note 9(b) to the consolidated financial statements respectively. During the year ended December 31, 2024, there were no emoluments paid by the Group to any of the Directors, the past Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

The table below shows the emolument of senior management by band:

Emolument bands (in HKD)	**Year ended December 31, 2024 (Number of senior management)**	Year ended December 31, 2023 (Number of senior management)
HK$2,000,001 to HK$2,500,000	1	2
HK$4,000,001 to HK$4,500,000	1	–
HK$5,000,001 to HK$5,500,000	2	–
HK$8,000,001 to HK$8,500,000	1	–
HK$9,500,001 to HK$10,000,000	–	1
HK$13,500,001 to HK$14,000,000	–	1

SHARE INCENTIVE PLANS

Pre-IPO Share Incentive Plans

Overview

The following is a summary of the principal terms of the Pre-IPO Share Incentive Plans as approved and adopted by the Board, as amended from time to time. The Pre-IPO Share Incentive Plans are not subject to Chapter 17 of the Listing Rules and will not involve the grant of awards or options by our Company to subscribe for new shares after Listing. Since Listing, we have not made and will continue not to make any new grants of awards or options under the Pre-IPO Share Incentive Plans and the terms of the Pre-IPO Share Incentive Plans will not be subject to Chapter 17 of the Listing Rules.

As disclosed in the Prospectus, save for the 10,000 Shares underlie the options granted to a director of the Company remain to be issued, the Shares underlie the outstanding options granted under the Pre-IPO Share Incentive Plans have been issued to Calorie Partner Limited. Such 10,000 Shares, if fully issued, would have a nominal dilutive effect on our total issued share capital.

Purpose

The Pre-IPO Share Incentive Plans are adopted with a view to attracting and retaining the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors, and consultants and to promote the success of our business by offering these individuals an opportunity to acquire a proprietary interest in the success of our Company or to increase their interest, by issuing them Shares or by permitting them to purchase Shares.

Eligible Participants

Persons eligible to participate in the Pre-IPO Share Incentive Plans include employees of our Company or any parent or subsidiary of our Company, a member of the board of directors of the Company, or any consultant who is engaged by the Company or its parent or subsidiary to render consulting or advisory services to such entity.

Maximum Number of Shares

The maximum aggregate number of Shares which may be issued underlying all awards and options pursuant to the 2016 Plan is 35,536,640 Shares, and the maximum aggregate number of Shares which may be issued underlying all awards and options pursuant to the 2021 Plan is 25,108,660 Shares. Upon Listing, there are no options and awards available for grant under the Pre-IPO Share Incentive Plans.

As disclosed in the Prospectus, save for the 10,000 Shares underlie the options granted to a Director remain to be issued, the Shares underlie the outstanding options granted under the 2016 Plan and 2021 Plan have been issued to Calorie Partner Limited. 10,000 Shares remain to be issued under the Pre-IPO Share Incentive Plans. Such 10,000 Shares, if fully issued, would have a nominal dilutive effect on our total issued share capital.

As at January 1, 2024, an aggregate of 22,166,075 Shares underlie options that remain outstanding under the Pre-IPO Share Incentive Plans. As at December 31, 2024, an aggregate of 15,545,900 Shares underlie options that remain outstanding under the Pre-IPO Share Incentive Plans, of which (a) 15,535,900 Shares were issued to Calorie Partner Limited, which are reserved for satisfying options granted to participants of our Pre-IPO Share Incentive Plans; and (b) 10,000 Shares remain to be issued and which underlie the options granted to our Director, Mr. Liu Dong. The Shares issued to and held by Calorie Partner Limited and that are unvested will not be used to vote at general meetings of our Company.

Maximum Entitlement of a Participant

There are no restrictions on the maximum entitlement of a participant under the terms of the Pre-IPO Share Incentive Plans.

Exercise Period

The exercise period of the options granted commence from the vesting date of the relevant options and end on the tenth anniversary of the grant date thereof.

Vesting Period

The options which have been granted shall be vested in accordance with the periods as may be determined by the Board and as set out in the notice of offer.

Duration and Remaining Life

Unless terminated earlier by the Board, the 2016 Plan and the 2021 Plan will terminate ten years after their respective adoption date.

As at the date of this annual report, the remaining life of the 2016 Plan and the 2021 Plan was about six years and three months and six years and three months, respectively.

Exercise Price

The exercise price in respect of any option shall be such amount as may be determined by the Board from time to time and set out in the notice of offer. The basis of determining the exercise price included among others service term and work performance.

Amount Payable on Application or Acceptance of the Option

No cash consideration was paid by the grantees on the application or acceptance of the outstanding options granted.

Details of movements in the options granted under the 2016 Plan and the 2021 Plan during the year ended December 31, 2024 are as follows:

Participant	Outstanding as at January 1, 2024	Granted during the Reporting Period[1]	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at December 31, 2024	Date of Grant	Exercise price (US$/Share)	Vesting period	Exercise period	Share closing price immediately before the date of grant of share options	Weighted average share closing price of the Shares immediately before the exercise dates
Mr. Liu Dong (Director)	10,000	Nil	Nil	Nil	Nil	10,000	April 22, 2021	US$0.80	Note 2	Note 4	N/A[5]	N/A
Other grantees	22,156,075	Nil	3,517,130	2,149,645	953,400	15,535,900	March 7, 2016-February 14, 2023	US$0.005-US$4.098	Note 3	Note 4	N/A[5]	HK$6.43

Notes:

1. Such options were granted before the Listing Date. None of the grant of options to any participant was in excess of 1% individual limit.

2. 50% of the Shares underlying the option shall vest upon the second anniversary of the vesting commencement date. Another 25% of the Shares subject to the option shall vest upon the third and fourth anniversary of the vesting commencement date respectively or at such time that the plan administrator may designate at its sole discretion.

3. Please refer to Note 29 to the consolidated financial statements for the vesting schedule.

4. The exercise period of these options commences from the vesting date of the relevant options and end on the tenth anniversary of the grant date thereof.

5. Such options were granted before the Listing Date and therefore the share closing price immediately before the date of grant of the options is not applicable.

6. The exercise of the option granted is subject to the achievement of certain performance indicators and other requirements, if any, as set out in the respective grant letter entered into between a grantee and the Company.

7. Rule 17.07(3) of the Listing Rules is not applicable since no Shares would be issued in respect of the options granted under the Pre-IPO Share Incentive Plans as at December 31, 2024.

Post-IPO Share Incentive Plan

Overview

The following is a summary of the principal terms of the 2023 Plan approved by our Company on June 12, 2023, which was adopted and effective immediately prior to Listing. This plan constitutes a share scheme governed by Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, the number of awards and options available for grant under the 2023 Plan was 32,687,999. As at the Latest Practicable Date, a total of 19,764,950 share awards granted upon the Listing and up to the Latest Practicable was outstanding under the 2023 Plan. No option has been granted under the 2023 Plan upon Listing and up to the Latest Practicable Date.

As disclosed in the section headed "Summary of material terms of the Pre-IPO Share Incentive Plans – Maximum number of Shares" in Appendix IV to the Prospectus, a total of 22,212,725 Shares issued for underlying ungranted awards and options under Pre-IPO Share Incentive Plans, which have been issued to Calorie Partner Limited before Listing, will be used to fund share options and share awards granted under the 2023 Plan. The Company will treat a share option or share award funded in a manner complying with Chapter 17 of the Listing Rules. As at the Latest Practicable Date, the total number of Shares available for issue under the 2023 Plan is 30,354,474 Shares, representing approximately 5.89% of the total issued share capital of the Company (excluding treasury shares).

Purpose

The purpose of this plan is to: (a) provide our Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants (defined below); (b) align the interests of Eligible Participants with those of our Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in our Company and become Shareholders; and (c) encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole.

Eligible Participants

The following participants are eligible to participate in this plan (the "**Eligible Participants**"):

Employee Participants	A director, officer or employee of our Group on the grant date.
Related Entity Participant	A director, officer or employee of (i) our holding company (if any); (ii) subsidiaries of our holding company other than our Group (if any); and (iii) associate companies of our Company.
Service Provider Participant	Persons providing services to our Group on a continuing basis in its ordinary and usual course of business that are in the interests of the long-term growth of our Group, as determined by the scheme administrator, pursuant to the criteria set out in this plan, and: a. includes (i) content creators that provide significantly contributes to our Group and business; (ii) third-party platforms that is, or is anticipated to be going forward, a significant business partner or otherwise significant to our business; and (iii) consultants, suppliers and service providers that is, or is anticipated to be going forward, a significant business partner or otherwise significant to our business; but b. does not include (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions; or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

Exercise Period

The exercise period for any share options under the 2023 Plan shall be such period determined by the scheme administrator in their absolute discretion and set in the respective award letters, provided that the exercise period shall not be longer than 10 years from the grant date.

Awards and Scheme Limits

We may grant share options and share awards (collectively, "**awards**") funded by new Shares (or Shares treated as new Shares, including the rollover award Shares), or an equivalent value determined at the prevailing market rate, under this plan.

The 2023 Plan shall have the following scheme:

Total scheme limit	The total number of Shares which may be issued pursuant to all awards to be granted under this plan and under any other share schemes of our Company is 10% of the Shares in issue on the Listing Date (i.e. 52,567,199).
Service provider participants sub-limit	The total number of Shares which may be issued pursuant to all awards to be granted to service provider participants under this plan is 2,500,000 Shares.

The numbers of awards available for grant under the scheme limit as at January 1, 2024 and December 31, 2024 were 52,278,699 and 31,005,649, respectively. The numbers of awards available for grant under the service provider participants sub-limit at the date of January 1, 2024 and December 31, 2024 were 2,500,000 and 2,300,000, respectively. No option has been granted under the 2023 Plan upon Listing and up to the Latest Practicable Date.

The above limits may be refreshed by Shareholders at general meeting in accordance with Rule 17.03C of Chapter 17 of the Listing Rules.

Maximum Entitlement of a Participant

Each Eligible Participant shall be subject to an individual grant limit and additional approval requirements, (a) with respect to a Director, chief executive or substantial shareholder of our Company, or their respective associates, as specified in Rule 17.04 of Chapter 17 of the Listing Rules; and (b) with respect to any Eligible Participant, as specified in Rule 17.03D of the Chapter 17 of the Listing Rules.

Vesting and Performance Targets

The scheme administrator shall determine the vesting period and specify this in the award letter. However, the vesting period may not be for a period less than 12 months from the grant date, except in limited circumstances set out in this plan, including (a) grants of "make whole" awards to replace awards such Employee Participants forfeited when leaving their previous employers; (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure; (c) grants of awards which are subject to the fulfilment of performance targets; (d) grants of awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the award would have been granted if not for such administrative or compliance requirements; (e) grants of awards with a mixed vesting schedule such that the awards vest evenly over a period of 12 months; or (f) grants of awards with a total vesting and holding period of more than 12 months. These circumstances may only apply to Employee Participants and are consistent with the scenarios permitted by the Stock Exchange.

The scheme administrator may set vesting conditions on awards, which shall be specified in the award letter. These include performance targets, criteria or conditions to be satisfied in order for the relevant award to vest and be settled by the Company, and may be based on, among other criteria, performance appraisals within a specified period, business/financial/transactional/performance milestones, current and anticipated future contribution to our Group and business, minimum service period, upon reaching other specified targets.

Duration and Remaining Life

Subject to any early termination as determined by our Board, this plan shall have a plan life of ten years from the adoption date.

No grants may be made after termination of this plan. Notwithstanding termination of this plan, this plan and its rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of awards granted prior to termination, and the termination shall not affect any subsisting rights already granted to a grantee. For the avoidance of doubt, awards granted during the plan life but that remain unexercised or unexpired prior to the termination shall continue to be valid and exercisable in accordance with this plan and the relevant award letter.

As at the date of this annual report, the remaining life of the Post-IPO Share Incentive Plan was about eight years and three months.

Purchase Price and Exercise Price

For awards which take the form of share awards, purchase price in respect of such share awards shall be such amount as may be determined by the scheme administrator from time to time and set out in the letter of grant. The basis of determining the purchase price included among others, service term and work performance.

For awards which take the form of options, the exercise price for such options shall be such price determined by the scheme administrator from time to time and set out in the letter of grant, provided that the exercise price shall in any event be no less than the higher of: (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; and (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date.

Amount Payable on Application or Acceptance of the Award

The consideration payable on acceptance of each grant of awards and the period within which payments or calls must or may be made are stipulated in the grant letters.

Details of movements in the awards granted under the Post-IPO Share Incentive Plan during the year ended December 31, 2024 are as follows:

Participant	Outstanding as at January 1, 2024	Granted during the Reporting Period[1]	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at December 31, 2024	Date of Grant	Purchase price of the awards granted	Vesting period	Performance targets	Closing price immediately before the date of grant (per Share)	Fair value of RSUs on the date of grant[11] (per Share)	Weighted average closing price immediately before the vesting dates
Directors													
Mr. Wang Ning	Nil	1,500,000	Nil	Nil	Nil	1,500,000	May 21, 2024	Nil	Note 2	Note 8	HK$8.34	HK$8.00	N/A
Mr. Peng Wei	Nil	1,500,000	Nil	Nil	Nil	1,500,000	May 21, 2024	Nil	Note 2	Note 8	HK$8.34	HK$8.00	N/A
Mr. Liu Dong	Nil	1,500,000	Nil	Nil	Nil	1,500,000	May 21, 2024	Nil	Note 2	Note 8	HK$8.34	HK$8.00	N/A
Employees	288,500	Nil	29,250	Nil	85,100	174,150	October 12, 2023	Nil	Note 3	Note 9	N/A	N/A	HK$6.77
	Nil	729,500	85,000	Nil	171,000	473,500	April 12, 2024	Nil	Note 4	Note 9	HK$6.70	HK$6.33	HK$5.92
	Nil	13,197,700	Nil	Nil	1,328,450	11,869,250	May 21, 2024	Nil	Note 2	Note 9	HK$8.34	HK$8.00	N/A
	Nil	1,521,400	Nil	Nil	95,000	1,426,400	September 3, 2024	Nil	Note 5	Note 9	HK$5.50	HK$5.49	N/A
	Nil	2,846,000	Nil	Nil	42,000	2,804,000	October 14, 2024	Nil	Note 6	Note 9	HK$6.83	HK$6.51	N/A
Service provider	Nil	200,000	Nil	Nil	Nil	200,000	September 3, 2024	Nil	Note 7	Note 10	HK$5.50	HK$5.49	N/A

Notes:

1. In accordance with the terms of the Post-IPO Share Incentive Plan, during the Reporting Period:

   - on April 12, 2024, the Company granted a total of 729,500 RSUs to 31 employees;
   - on May 21, 2024, the Company (i) granted a total of 13,197,700 RSUs to 417 employees, and (ii) granted 4,500,000 RSUs to three Directors which has been approved by independent Shareholders at the annual general meeting held on June 19, 2024;
   - on September 3, 2024, the Company (i) granted a total of 1,521,400 RSUs granted to 80 employees, and (ii) 200,000 RSUs to a service provider of the Group; and
   - on October 14, 2024, the Company granted a total of 2,846,000 RSUs to 25 employees.

   For more details, please refer to the announcements of the Company dated April 12, 2024, May 21, 2024, September 3, 2024 and October 14, 2024, respectively.

2. A total of 4,500,000 RSUs granted to Directors and 13,197,700 RSUs granted to employees shall vest from the vesting commencement date, i.e., August 1, 2024, based on the following schedule: 40% shall vest in one year from the vesting commencement date, and each of 20% shall vest for the three years thereafter.

3. 310,600 RSUs granted to 29 employees shall vest based on the following schedule: (i) the second anniversary of the vesting commencement date as specified in the respective grant letters in respect of 50% of the grant; (ii) the third anniversary of the vesting commencement date as specified in the respective grant letters in respect of 25% of the grant; and (iii) the fourth anniversary of the vesting commencement date as specified in the respective grant letters in respect of 25% of the grant. 26,600 RSUs granted to one employee shall vest on October 13, 2024, being the day after the first anniversary of the grant date of October 12, 2023.

4. 729,500 RSUs granted to 31 employees shall vest based on the following schedule: (i) the second anniversary of the vesting commencement date as specified in the respective grant letters in respect of 50% of the grant; (ii) the third anniversary of the vesting commencement date as specified in the respective grant letters in respect of 25% of the grant; and (iii) the fourth anniversary of the vesting commencement date as specified in the respective grant letters in respect of 25% of the grant. During the Reporting Period, the vesting of 85,000 RSUs has accelerated due to the death of an employee grantee in accordance with the terms of Post-IPO Share Incentive Plan and Rule 17.03F of the Listing Rules.

5. 1,090,000 RSUs granted to 12 employees shall vest based on the following schedule: (i) the second anniversary of the vesting commencement date as specified in the respective grant letters in respect of 50% of the grant; (ii) the third anniversary of the vesting commencement date as specified in the respective grant letters in respect of 25% of the grant; and (iii) the fourth anniversary of the vesting commencement date as specified in the respective grant letters in respect of 25% of the grant. 431,400 RSUs granted to 68 employees shall vest based the following schedule: 25% shall vest on each anniversary of the grant date in four years.

6. 2,846,000 granted to 25 employees shall vest in 48 months, where the RSUs may vest by several batches with the first batch to vest on the date on or after the 12 months of the grant date.

7. 200,000 RSUs granted to the service provider shall vest based on the following schedule: (i) 50% shall vest on the first anniversary of the grant date; and (ii) 50% shall vest on March 1, 2026.

8. Vesting of the RSUs granted to Directors is subject to the achievement of certain performance indicators and other requirements, including the (i) their business contribution, mainly considering the fulfilment of certain quantitative targets set for financial performance and key operating metrics, and (ii) their organizational contribution, including but not limited to efficiency improvement, corporate culture boosting and talent management. Upon each vesting date, the portion of RSUs that vests shall be subject to a Grantee's fulfilment of a specified threshold in their performance evaluations as determined by the scheme administrator. For details of the performance indicators set for each Director, please refer to the announcement of the Company dated May 21, 2024.

9. Vesting of the RSUs granted to employees is subject to the achievement of certain performance indicators and other requirements set out in the respective grant letter entered into between a grantee and the Company, including the Company's annual results and/or a Grantee's individual annual performance. Upon each vesting date, the portion of RSUs that vests shall be subject to a Grantee's fulfilment of a specified threshold in their performance evaluations as determined by the scheme administrator.

10. Vesting of the RSUs granted to service provider is subject to the fulfilment of the relevant obligations of the service provider specified under the relevant consultancy service agreement entered into between the service provider and the Group.

11. Details of the fair value of the RSUs granted during the Reporting Period, including the accounting standard and policy adopted for the Post-IPO Share Incentive Plan, are set out in Note 29 to the consolidated financial statements.

As disclosed in the Prospectus, pursuant to its Pre-IPO Share Incentive Plans, the Company issued a total of 22,212,725 Shares to Calorie Partner Limited, which shall be used to fund share options and/or share awards granted under the Post-IPO Share Incentive Scheme. Taking into account the total of 22,212,725 Shares held by Calorie Partner Limited, the number of Shares that may be issued in respect of awards granted under the Post-IPO Share Incentive Plan during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is 0.2%.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the year ended December 31, 2024.

CHARITABLE DONATIONS

The donations made by the Group during the year ended December 31, 2024 amounted to RMB553 thousand.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 11,538,500 shares of the Company (the "**Shares Repurchased**") on the Stock Exchange at the aggregate consideration of HK$74,306,444.11 before expenses. The repurchase was conducted to benefit the Company and create value to its Shareholders. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share Highest (HK$)	Price Paid per Share Lowest (HK$)	Aggregate Consideration (HK$)
April 2024	1,599,500	8.27	4.04	9,809,529.53
May 2024	1,568,100	8.94	7.33	12,367,102.99
June 2024	2,088,600	7.87	5.82	13,317,778.00
July 2024	950,100	6.65	5.78	5,934,082.06
August 2024	327,000	6.36	5.50	1,916,646.00
September 2024	606,700	6.19	5.18	3,404,853.18
October 2024	2,021,300	8.11	5.76	13,042,710.11
November 2024	1,229,800	6.77	5.59	7,538,379.74
December 2024	1,147,400	6.49	5.69	6,975,362.50
Total	11,538,500			74,306,444.11

As of December 31, 2024, 8,027,900 of the Shares Repurchased are held as treasury shares by the Company, and 3,510,600 of the Share Repurchased are to be cancelled. Subject to compliance with the Listing Rules, the Company may consider using the treasury shares for funding its share incentive schemes, future resales, transfers or cancellation.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

USE OF PROCEEDS

With the Shares listed on the Stock Exchange on July 12, 2023, the net proceeds from the Global Offering were approximately HK$192.0 million after deducting underwriting commissions and offering expenses, which had been and will continue to be utilized for the purposes as set out in the Prospectus.

As of the date of this annual report, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company placed the net proceeds as cash and cash equivalents and short-term deposits only at licensed banks or financial institutions.

The Group used and will continue to utilize the net proceeds of the Global Offering in accordance with the intended purposes as set out in the Prospectus. The table below sets out the planned allocations of the net proceeds and actual usage up to December 31, 2024:

Intended use of net proceeds	Net proceeds from the Global Offering in the same manner and proportion as stated in the Prospectus approximate	Percentage of total net proceeds as stated in the Prospectus	Net proceeds unutilized as of January 1, 2024	Utilized net proceeds during the year ended December 31, 2024	Net proceeds unutilized as of December 31, 2024	Expected timeline of full utilization of the net proceeds[1]
For research and development to advance our technological capabilities and drive product innovation:	**HK$67.2 million**	**35%**	**HK$67.2 million**	**HK$25.8 million**	**HK$41.4 million**	**Before December 31, 2025**
(a) to attract, retain and incentivize our research and development talents to support our research and development initiatives and product innovation and enhance the integration of self-branded fitness products with our online fitness content, thereby enabling a more seamless experience	HK$28.8 million	15%	HK$28.8 million	HK$5.9 million	HK$22.9 million	
(b) to invest in Keep smart fitness devices, including conducting continuous research and development and adding new features to our existing offerings, and creating new and innovative products for users with various fitness needs	HK$19.2 million	10%	HK$19.2 million	HK$17.3 million	HK$1.9 million	
(c) invest in artificial intelligence, data analysis and technology infrastructure to strengthen our technological capabilities and enhance digital connectivity and interaction among platform participants	HK$19.2 million	10%	HK$19.2 million	HK$2.6 million	HK$16.6 million	
For the development and diversification of our fitness content:	**HK$57.6 million**	**30%**	**HK$57.6 million**	**HK$0.2 million**	**HK$57.4 million**	**Before December 31, 2025**
(a) to invest in our in-house, vertically integrated content development capability by increasing the number of recorded fitness courses and live streaming classes and catering to users' diversified preferences, thereby further driving user engagement	HK$23.0 million	12%	HK$23.0 million	HK$0.1 million	HK$22.9 million	
(b) to expand our fitness content library and enrich users' experience through other innovative initiatives	HK$17.3 million	9%	HK$17.3 million	HK$0.1 million	HK$17.2 million	
(c) to introduce more specialized content and expand into new fitness categories by cultivating more fitness influencers on our platform and collaborating with more fitness professionals	HK$11.5 million	6%	HK$11.5 million	Nil	HK$11.5 million	
(d) to expand our content offerings by purchasing more valuable and exclusive fitness intellectual properties and acquiring qualified third-party content to build competitive moats and satisfy the evolving needs of our users	HK$5.8 million	3%	HK$5.8 million	Nil	HK$5.8 million	
For the investment in branding and promotion	**HK$48.0 million**	**25%**	**HK$48.0 million**	**HK$26.1 million**	**HK$21.9 million**	**Before December 31, 2025**
(a) to be used in user acquisition activities to continue to gain mindshare and attract users across different ages, areas of interest, and locations	HK$23.0 million	12%	HK$23.0 million	HK$4.7 million	HK$18.3 million	
(b) to be used in branding activities used to continue to promote our brand and strengthen its image and influence among users	HK$19.2 million	10%	HK$19.2 million	HK$19.1 million	HK$0.1 million	
(c) to be used in promotional activities to continue to promote our fitness devices and products through placing ads in social media, holding live streaming promotion sessions and collaborating with other brands, among others	HK$5.8 million	3%	HK$5.8 million	HK$2.3 million	HK$3.5 million	
For general corporate purposes and working capital needs	**HK$19.2 million**	**10%**	**HK$19.2 million**	**HK$5.5 million**	**HK$13.7 million**	**Before December 31, 2025**

Note:

(1) The expected timeline is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high corporate governance standards. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 54 to 68 of this annual report.

AUDIT COMMITTEE

The Audit Committee, together with the management and the external auditor, had reviewed the accounting policies and practices adopted by the Group as well as the internal control matters, and had also reviewed the Group's consolidated financial statements for the year ended December 31, 2024.

AUDITOR

RSM Hong Kong ("**RSM**") was appointed as the Company's auditor ("**Auditor**"). The consolidated financial statements for the year ended December 31, 2024 in this annual report have been audited by RSM. RSM shall retire and a resolution for the re-appointment of RSM as Auditor will be proposed at the forthcoming AGM.

Change of Auditors

Reference is made to the announcement of the Company dated February 9, 2024. As disclosed in the announcement, PricewaterhouseCoopers ("**PwC**") has agreed to resign as the Auditor with effect from February 9, 2024 upon request from the Board, given that PwC could not reach a consensus with the Company on a mutually acceptable audit timetable for the Group's financial results for the year ended December 31, 2023, and RSM has been appointed as the new Auditor with effect from February 9, 2024.

Saved as disclosed above, there had been no other change of auditor from the Listing Date and up to the date of this annual report.

ON BEHALF OF THE BOARD
Wang Ning
Chairman and Chief Executive Officer

Hong Kong
March 28, 2025

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended December 31, 2024.

CORPORATE GOVERNANCE CULTURE

The Company is committed to establishing and fulfilling a good corporate governance practice and procedures, for ensuring a quality Board, sound internal control, and transparency and accountability to all Shareholders in order to enhance credibility and reputation of the Company. We firmly believe that good corporate governance practice can earn trust of the Shareholders as well as other stakeholders, and most importantly, preserve the long-term interests of the Shareholders. In addition, a healthy corporate culture is critical to the achievement of the Group's vision and strategy. The Group is committed to maintaining high standards of business ethics and corporate governance in the Company's operation.

The Company will continuously review and adjust, if necessary, our business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

CORPORATE GOVERNANCE PRACTICES

The Company and the Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. The Company has adopted the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance during the year ended December 31, 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Save as disclosed below, the Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code for the year ended December 31, 2024.

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairperson and chief executive officer and Mr. Wang Ning currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors for the year ended December 31, 2024. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended December 31, 2024.

The Board has also adopted its own code of conduct regarding employees' securities transactions on terms no less than the standard set out in the Model Code to regulate all dealings in the Company's securities by relevant employees, including any employee or a director or employee of a subsidiary or holding company, who, because of his/her office or employment, are likely to be in possession of unpublished inside information of the Company as referred to in the applicable code provision D.2.4(e) of the Corporate Governance Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

BOARD COMPOSITION

During the year ended December 31, 2024 and up to the date of this annual report, the members of the Board of the Company are listed as follows:

Executive Directors

Mr. Wang Ning *(Chairman and Chief Executive Officer)*
Mr. Peng Wei
Mr. Liu Dong

Non-executive Director

Mr. Li Haojun *(resigned on December 27, 2024)*

Independent Non-executive Directors

Ms. Ge Xin
Mr. Shan Yigang
Mr. Wang Haining

The biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" of this annual report. The relationships between the Directors and senior management are disclosed in the respective Director's and senior management's biography under the section headed "Biographies of Directors and Senior Management" of this annual report. Save as disclosed above, there is no relationships (including financial, business, family or other material/relevant relationship(s)) among members of the Board and the senior management of the Company.

Board Meetings, Board Committee Meetings and General Meetings

The Board shall hold at least four meetings a year at approximately quarterly intervals. Additional meetings would be arranged when required. Notices for all regular Board meetings will be given to all Directors at least 14 days before the meetings and the agenda and accompanying Board paper will be given to all Directors at least 3 days before the meetings in order that they have sufficient time to review the papers. Minutes of meetings are kept by the Company Secretary with copies circulated to all Directors or Board Committee members for information and records. Directors who have conflicts of interest in a board resolution shall abstain from voting for that resolution.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors/Board Committee members. Draft and final versions of the minutes of each Board meeting and Board Committee meeting are sent to the Directors/Board Committee members for comments and records respectively within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the joint company secretaries and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company. All independent non-executive Directors are invited to attend the meetings of the Board and the Board Committees, communication channels to the management and the Company Secretary are also available at all times. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. All the Directors, including the independent non-executive Directors, will be given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns. Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting. The Board will review regularly as to whether the mechanisms are effective in ensuring that independent views and input are provided to the Board.

Directors' Attendance Records

The attendance record of each Director at Board meetings, Board Committee meetings and general meetings of our Company held for the year ended December 31, 2024 is set out in the table below:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors					
Mr. Wang Ning	6/6	–	3/3	2/2	1/1
Mr. Peng Wei	6/6	–			1/1
Mr. Liu Dong	6/6	–			1/1
Non-Executive Director					
Mr. Li Haojun *(resigned on December 27, 2024)*	6/6	–			1/1
Independent Non-Executive Directors					
Ms. Ge Xin	6/6	8/8	3/3	N/A(Note)	1/1
Mr. Shan Yigang	6/6	8/8		2/2	1/1
Mr. Wang Haining	6/6	8/8	3/3	2/2	1/1

Note: Ms. Ge Xin was appointed as a member of Nomination Committee with effect from March 28, 2025.

Apart from regular Board meetings, our Chairman also held one meeting with our independent non-executive Directors without the presence of other Directors during the year ended December 31, 2024.

Our independent non-executive Directors and non-executive Director have attended general meetings of our Company to gain and develop a balanced understanding of the view of the Shareholders.

Responsibilities, Accountabilities and Contributions of the Board and the Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. All Directors have full and timely access to all the information of the Company. The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has established a mechanism to ensure independent views and advice are available to the Board through seeking the external independent professional advice from legal advisers and auditor, as well as the full attendance of all independent non-executive Directors at all the meetings of the Board and its relevant committees. The Board reviews the implementation and its effectiveness of the aforementioned mechanisms on an annual basis.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Board Independence Evaluation

The Board has established mechanisms to ensure independent views and input are available to the Board. The Board ensures the appointment of at least three independent non-executive directors and at least one-third of its members being independent non-executive directors. Further, independent non-executive directors will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views and input are available. The Nomination Committee strictly adheres to the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive directors, and is mandated to assess annually the independence of independent non-executive directors to ensure that they can continually exercise independent judgement.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairperson and chief executive officer and Mr. Wang Ning currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Independent Non-Executive Directors

During the year ended December 31, 2024, the Company has three independent non-executive Directors in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The number of independent non-executive Directors is at least one third of the number of the Board members. Each of Ms. Ge Xin, Mr. Shan Yigang, and Mr. Wang Haining, being the independent non-executive Directors as at December 31, 2024, have made confirmations to the Company regarding their independence for the year ended December 31, 2024. Based on the confirmations of such independent non-executive Directors, the Company considers each of them to be independent during the Reporting Period.

Appointment and Re-election of Directors

The code provision B.2.2 of the Corporate Governance Code stipulates that every director should be subject to retirement by rotation at least once every three years. The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association.

The term of appointment of each Directors shall be for an initial term of three years from the Listing Date. All the Directors are subject to retirement by rotation and re-election at the annual general meeting. Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three of a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Articles of Association also provides that all Directors appointed to fill a casual vacancy on the Board or as addition to the existing Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills. The Company has arranged training for its Directors and provided them with reading material on relevant topics. Each Director has been provided with necessary induction and information to ensure that he/she has a proper understanding of the Company’s operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations.

All Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

All Directors have complied with code provision C.1.4 of the Corporate Governance Code and participated in continuous professional development to develop and refresh their knowledge and skills during the Reporting Period.

The training records of the Directors for the year ended December 31, 2024 are summarized as follows:

Directors	Type of Training[Note]
Executive Directors	
Mr. Wang Ning	A&B
Mr. Peng Wei	A&B
Mr. Liu Dong	A&B
Non-Executive Director	
Mr. Li Haojun *(resigned on December 27, 2024)*	A&B
Independent Non-Executive Directors	
Ms. Ge Xin	A&B
Mr. Shan Yigang	A&B
Mr. Wang Haining	A&B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board Committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board Committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

During the Reporting Period, the Audit Committee comprises three independent non-executive Directors, namely Ms. Ge Xin, Mr. Shan Yigang and Mr. Wang Haining. Ms. Ge Xin is the chairlady of the Audit Committee and is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal control and risk management systems and the effectiveness of the Company's internal audit function, to nominate and monitor external auditors, to provide advice and comments to the Board on matters related to corporate governance under code provision A.2.1 of the Corporate Governance Code, and to perform other duties and responsibilities as assigned by the Board. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

During the year ended December 31, 2024, our Audit Committee held 8 meetings, during which the Audit Committee reviewed and discussed, among others, annual financial results and report for the year ended December 31, 2023, interim financial results and report for the six months ended June 30, 2024 and issues in relation to, the Group's financial reporting, external auditors, compliance procedures, and internal control policies.

Remuneration Committee

During the Reporting Period, the Remuneration Committee comprised three members, namely Mr. Wang Haining, Ms. Ge Xin, and Mr. Wang Ning, the majority of them are independent non-executive Directors. Mr. Wang Haining served as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish, review and offer advice to the Board on the Company's policy and structure concerning remuneration of the Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, to make recommendations to the Board on the terms of the specific remuneration package of each executive Director and senior management of the Company, and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The written terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

During the year ended December 31, 2024, our Remuneration Committee held 3 meetings, during which, the Remuneration Committee reviewed and made recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and matters relating to share schemes under Chapter 17 of the Listing Rules shall be subject to review and/or approval by the Remuneration Committee.

During the year ended December 31, 2024, our Remuneration Committee has proposed to grant 4,500,000 RSUs to Directors on May 21, 2024 and is of the view that the number of the RSUs to be granted to each of the Director Grantees is fair and reasonable as the number of the RSUs was determined with reference to, among other things, (i) the essential duties and responsibilities in the Group of each of the Director grantees; and (ii) the value of the grant to Director grantees, and the grant aligns with the purpose of the scheme. Such grants have been approved by Shareholders at the general meeting of the Company held on June 19, 2024.

Nomination Committee

During the Reporting Period, the Nomination Committee comprised three members, namely Mr. Shan Yigang, Mr. Wang Haining, and Mr. Wang Ning, the majority of them are independent non-executive Directors. Mr. Shan Yigang served as the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to review the structure, size and composition of our Board and make recommendations to our Board regarding any proposed changes to the composition of our Board, to identify, select or make recommendations to our Board on the selection of individuals nominated for directorships, to ensure diversity of our Board members, to assess the independence of our independence of our independent non-executive Directors and make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors. The written terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

During the year ended December 31, 2024, our Nomination Committee held 2 meetings, during which, the Nomination Committee made recommendations to the Board regarding the appointment of Directors and Board succession.

Diversity Policy

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Our Directors have a balanced mix of knowledge and skills, including business management, finance, investment, auditing and accounting. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of the Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the board diversity policy, the nomination committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

The Board currently comprises six members, including one female Director, which is in line with the gender diversity requirements by the Stock Exchange. We will continue to put effort into developing a pipeline of potential successors of the Board to maintain or achieve gender diversity via different channels, such as by engaging human resources agencies to identify potential successors for the Board. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the Board.

As of December 31, 2024, the Group had a total of 827 employees, including 407 male employees and 420 female employees, with the gender ratio in the workforce (including senior management) of approximately 1:1.032. The Company is aiming to achieve a more balanced gender ratio in the workforce and will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness.

Director Nomination Policy

Our Board has adopted a nomination policy which sets out the selection criteria and process in relation to the selection, appointment and re-appointment of the Directors and aims to ensure that our Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to our Company's business.

The nomination policy sets out the factors for assessing the suitability and the potential contribution to our Board of a proposed candidate, including but not limited to the following: (a) character and integrity; (b) qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under our board diversity policy that are relevant to our Company's business and corporate strategy; (c) requirement for our Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules; (d) potential contributions the candidate can bring to our Board in terms of qualifications, skills, experience, independence and gender diversity; and (e) the willingness and ability to devote adequate time to discharge duties as a member of our Board of our Company.

Remuneration of Directors and Five Highest Paid Individuals

Our Directors and senior management receive compensation in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of our Directors and senior management, as well as the performance of our Group. Our Group regularly reviews and determines the remuneration and compensation packages of our Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, respective responsibilities of our Directors and senior management and performance of our Group. The remuneration policy for independent non-executive Directors is to ensure that independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

The remuneration of each Director and the chief executive are set out in Note 9 to the consolidated financial statements.

For the Reporting Period, no emolument was paid by our Group to any Directors or any of the five highest paid individuals as inducement to join or upon joining our Group as compensation for loss of office.

For the Reporting Period, none of the Directors has waived or agreed to waive any emoluments. No termination benefits, loans, quasi-loans, other dealings in favour of Directors, their controlled bodies corporate and their connected entities subsisted at the end of the Reporting Period or at any time during the Reporting Period. No consideration was provided to or received by third parties for making available the services of a person as a Director or in any other capacity while as a Director during the Reporting Period.

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Reporting Period. The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with. The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements. As at December 31, 2024, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group's ability to continue as a going concern. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. The statements by external auditor, RSM Hong Kong, about their reporting responsibility on the consolidated financial statements of the Group are set out in the independent auditor's report in this annual report.

Corporate Governance Functions

The Board recognizes that corporate governance should be the collective responsibility of Directors which include:

(a) to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the Listing Rules and disclosure in the Corporate Governance Report.

Risk Management and Internal Controls

Our Board is responsible for our Company's risk management and internal control systems and for reviewing their effectiveness at least annually. Such systems are designed to manage rather than eliminate risks of failure to achieve the business objectives of our Group and to only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, our Board supervised the design, implementation and monitoring of the risk management and internal control systems, and reviewed the adequacy and effectiveness of the risk management and internal control systems of our Group on an ongoing basis; such review covered all major control aspects of our Group, including the financial reporting, internal audit function, adequacy of resources, staff qualifications and experiences, training programmes, the procurement policies, the contract management system, budget of the Company's accounting, internal audit and financial reporting functions. The Company has also taken actions to improve its internal control systems with our Board's guidance. Taking into account the above actions, our Board is of the view that the risk management and internal control systems of our Company for the year ended December 31, 2024 is effective and adequate. In addition, the senior management of the Company identify, access and take measures against any significant risks that the Company is facing, and reviews the risk assessment report on a regular basis and reports to the Board on a regular basis.

Our Group's risk management and internal control systems covered each operation department, to ensure that our Group could effectively manage the key factors that might affect our Group in achieving its strategic objectives, such factors including events, accidents or behaviors with a material impact on our Group's reputation, assets, capital, profit or liquidity.

Our Company has adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our Audit Committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors. We have adopted or will continue to adopt, among other things, the following principles:

(i) establish an Audit Committee to review and supervise our financial reporting process and internal control system;

(ii) adopt various policies to ensure the compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosure;

(iii) appoint Ms. Lin Yuxin and Ms. Lai Siu Kuen as our joint company secretaries to ensure the compliance of our operation with applicable laws and regulations;

(iv) appoint Guotai Junan Capital Limited as our compliance advisors upon the Listing to advise us on compliance with the Listing Rules;

(v) engage external legal advisors to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary;

(vi) provide regular anti-corruption, anti-bribery, anti-money laundering and sanctions related compliance training for senior management and employees in order to enhance their knowledge of and compliance with applicable laws and regulations, our Company's anti-corruption policy, whistleblowing policy and other relevant policies; and

(vii) arrange our Directors and senior management to attend training seminars on the Listing Rules requirements and the responsibilities as directors and senior management of a Hong Kong-listed company.

In accordance with the requirements of the SFO and the Listing Rules, our Group shall disclose to the public any inside information as soon as possible after such information comes to the attention of our Group, unless such information is within the scope under any safe harbours provision in the SFO. Our Group will ensure such information will be kept confidential before it is fully announced to the public. If our Group considers that the confidentiality required cannot be kept, or such information may have leaked already, such information will be disclosed to the public immediately. We also endeavour to ensure that the information contained in the announcement shall not be deceptive or misleading in all material aspects, and there are no other material matters the omission of which would make the information contained therein to be deceptive or misleading, such that the insider information disclosed can be made available to the public in an equal, timely and effective manner. In addition, if there is any significant risk events, the related information will be disclosed to appropriate authorities and personnel, so that appropriate decisions and measures can be made and implemented by our Group to deal with such risk events. Meanwhile, in order to further develop the risks management culture of the enterprise, as well as to enhance the risk awareness of our staff, our Group has already rolled out related training programs, so that we can assure to maintain the balance between business expansion and risks management in our operation.

Auditors' Remuneration

The financial statements contained in this annual report have been audited by RSM Hong Kong. The remuneration paid/payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended December 31, 2024 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit Services	3,083
Non-audit Services (Note)	1,076
Total	**4,159**

Note: The non-audit services fees conducted by the auditors mainly include interim review and certain professional services on tax advisory.

Joint Company Secretaries

Reference is made to the announcement of the Company dated October 7, 2024. Following Mr. Huang Weibo's resignation as a joint company secretary and the authorized representative of the Company on October 7, 2024, the Company has appointed Ms. Lin Yuxin ("**Ms. Lin**") as its joint company secretary and the authorized representative with effect from October 7, 2024, assisted by Ms. Lai Siu Kuen ("**Ms. Lai**"), a director of the company secretarial services department of Tricor Services Limited and an external service provider, Ms. Lin and Ms. Lai are responsible for overseeing the company secretarial work of the Group. The primary contact person of Ms. Lai at the Company is Ms. Lin. For the year ended December 31, 2024, both Ms. Lin and Ms. Lai confirmed that they have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Shareholders' Rights

The Company believes that effective communication with Shareholder is essential to enhance investor relations and to keep investors informed of the Group's business performance and strategies. The Company has established various and a wide range of communication channels with Shareholders, including general meeting, annual results and interim results, annual and interim reports, announcements and circulars and performance conference. To facilitate the communication between the Company and investors, the Company holds meetings, briefings and roadshows with investors and analysts from time to time. Shareholders may make enquiries with the Company through channels mentioned below, and provide comments and recommendations to the Directors or managements at any time. Upon receipt of written enquiries from Shareholders, the Company will make actual responses to the Shareholders as soon as possible.

In addition, the Company updates its website from time to time to keep the Shareholders update of the recent development of the Company. The Company endeavours to maintain an ongoing dialogue with Shareholders. At the annual general meeting, the Directors (or their delegates as appropriate) will be available to meet with the Shareholders and answer their enquiries. Since the Listing Date, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. Based on a review of the initiatives taken as mentioned above, the Board considers that the shareholders communication policy is effective during the year ended December 31, 2024.

Procedures for Shareholders to convene an extraordinary general meeting

According to Article 9.3 of the Articles of Association, general meetings can be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than 10% of the voting rights of the issued Shares which as at that date carrying the right to vote at general meetings of the Company. The requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists and deposited at the principal office of the Company in Hong Kong. If within 21 days of such deposit the Directors fail to proceed to convene such meeting the requisitionist(s) himself (themselves) may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21-day period.

Procedures and contact details for putting forward proposals at Shareholders' meeting

The annual general meeting and other general meetings provide an important opportunity for Shareholders to express their views and the Company encourages and promotes Shareholder attendance and participation at general meetings. The Board members, in particular, the chairman or his delegates, appropriate members of management team and external auditors of the Company will attend annual general meeting to answer Shareholders' questions. Shareholders attending the annual general meeting and other general meetings are allowed to have a reasonable opportunity to ask questions regarding the items on the meeting agenda, including but not limiting to questions to the external auditor regarding the conduct of the audit and the preparation and content of the auditor's report.

Procedures for putting forward enquiries to the Board

If you have any query in connection with your shareholding, please write to or contact the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Tel: +852 2862 8555
Fax: +852 2865 0990

To contact the Company in relation to your query about the Company, the contact details are as follows:

Address: Building D, Vanke Time Square
No. 9 Wangjing Street, Chaoyang District
Beijing, China (For the attention of the Board of Directors)
Email: ir@keep.com

Communication with Shareholders and Investor Relations

Our Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of our Group's business, performance and strategies. Our Company also recognizes the importance of timely and nonselective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The annual general meeting of our Company provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of our Company and the chairpersons of our Board committees of our Company will attend the annual general meeting to answer Shareholders' questions. The Auditor will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, our Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between our Company and the Shareholders and maintains a website of our Company at https://keep.com/ where up to date information on our Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Our Board has reviewed the implementation of the shareholders' communication policy and considers its implementation as effective.

Pursuant to Rule 2.07A of the Listing Rules, the Company will disseminate the future corporate communications of the Company (the "**Corporate Communications**") to Shareholders electronically and only send Corporate Communications in printed form to Shareholders upon request. The Company will make the Corporate Communications available on its website (https://keep.com/) and the Stock Exchange's website (www.hkexnews.hk).

Change in Constitutional Documents

The Company adopted Twelfth Amended and Restated Memorandum and Articles of Association on June 12, 2023, which has been effective from the Listing Date.

Upon the Shareholder's approval at the annual general meeting held on June 19, 2024, the Company has adopted the Thirteenth Amended and Restated Memorandum and Articles of Association for the purpose of, *inter alia*, (i) bringing the Articles of Association in line with the Listing Rules which mandate the electronic dissemination of corporate communications by listed issuers to their securities holders; (ii) making other house-keeping amendments to clarify, update and/or modify certain provisions of the Articles of Association in accordance with, or to better align with the applicable laws

Save as disclosed above, there was no other change in the said Memorandum and Articles of Association during the year ended December 31, 2024.

On March 28, 2025, the Board proposed (a) certain amendments to the Thirteenth Amended and Restated Memorandum and Articles of Association for the purpose of, inter alia, (i) bringing the Articles of Association in line with the Core Shareholder Protection Standards set out in Appendix A1 to the Listing Rules which require, among others, the holding of general meetings which shareholders can attend virtually with the use of technology and cast votes by electronic means; (ii) making other house-keeping amendments to clarify, update and/or modify certain provisions of the Articles of Association in accordance with, or to better align with the applicable laws (collectively, the "**Proposed Articles Amendments**"); and (b) to adopt the Fourteenth Amended and Restated Memorandum and Articles of Association incorporating and consolidating all the Proposed Articles Amendments. The Proposed Articles Amendments and the adoption of the Fourteenth Amended and Restated Memorandum and Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the AGM or any adjourned meeting. A circular of the Company containing, inter alia, further details on the aforesaid subject matters, together with a notice of the AGM, will be despatched to the Shareholders (if necessary) in accordance with the requirements of the Listing Rules in due course.

Independent Auditor's Report

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TO THE SHAREHOLDERS OF KEEP INC.
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Keep Inc. (the "Company") and its subsidiaries, including structured entities (the "Group") set out on pages 76 to 165, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Fair value measurement of investments in unlisted entities classified as financial assets at fair value through profit or loss ("FVPL")

2. Impairment assessment of accounts receivable

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Fair value measurement of investments in unlisted entities classified as financial assets at FVPL	
Refer to Notes 2.8, 3.3, 8 and 20 to the consolidated financial statements. As at December 31, 2024, the Group's investments in unlisted entities amounted to RMB54,224,000. As these entities are unlisted and not traded in an active market, management determined the fair values of these unlisted entities by using applicable valuation techniques (market approach) with the assistance from an independence valuer. The fair value measurement required significant management's judgements and estimates, the use of unobservable inputs. We identify the fair value measurement of investments in unlisted entities as a key audit matter due to the measurement of fair values for these investments is subject to high degree of estimation uncertainty. The inherent risk in relation to the measurement of the fair values for these unlisted entities are considered significant due to the complexity of valuation techniques and significant judgements and estimates adopted, such as risk-free rate, discount of lack of marketability and expected volatility, and the selection of data used in the valuation, which are subjective.	Our procedures included: • Understanding, evaluating and testing the key controls implemented by the management over the fair value measurement of financial assets recognized at FVPL, and considering the degree of estimation uncertainty and other inherent risk factors related to accounting estimates to assess the inherent risk of material misstatement; • Assessing the qualifications, capabilities and objectivity of the external valuer engaged by the Group; • Reviewing internal documentation and supporting materials related to the valuations, including the terms of engagement with the external valuer, to ensure that the independence and objectivity of the valuation process is not compromised; • Obtaining the valuation reports for such financial assets, and with the assistance of valuation experts engaged by us: – Evaluating the appropriateness of the valuation method adopted by the management;

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Fair value measurement of investments in unlisted entities classified as financial assets at FVPL (continued)	– Evaluating the reasonableness of the assumptions and unobservable inputs applied in the calculation by comparing them against the industry or market data to assess whether the assumptions and unobservable inputs applied were within the range of those adopted by comparable companies in the same industry; and – Conducting sensitivity analysis on key assumptions and parameters in the valuation model to assess their impact on fair value measurements. • Reviewing the appropriateness of the disclosure in the consolidated financial statements.
2. Impairment assessment of accounts receivable Refer to Notes 2.8, 3.1 and 21 to the consolidated financial statements. As at December 31, 2024, the Group's accounts receivable was amounting to RMB205,191,000. This balance in total accounted for 11% of the Group's total assets. As disclosed in Note 3.1(b) to the consolidated financial statements, management estimates the amount of lifetime expected credit losses ("ECL") of accounts receivable by grouping the accounts receivable based on shared credit risk characteristics and credit rating. The expected loss rates are based on the credit rating of counterparties, historical payment profiles and historical loss rates, adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable. We identify the impairment assessment of accounts receivable as a key audit matter due to the involvement of subjective judgement and management estimates involved in evaluating the ECL of the Group's accounts receivable at the end of the reporting period. As disclosed in Note 21 to the consolidated financial statements, the Group's ECL were amounting to RMB31,987,000 as at December 31, 2024.	Our procedures included: • Understanding and evaluating management's processes and internal controls related to the assessment of ECL for accounts receivable and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of the inherent risk factors; • Assessing the reasonableness of management's judgement on the grouping of accounts receivable for the ECL provision assessment on the basis of shared credit risk characteristics by testing the data input, in a sample basis, including aging profile, historical payment profile and macroeconomic factors, if relevant; • Examining the application of significant increase in credit risk and defaults for accounts receivable by checking to historical payment record and past due days of the accounts receivable as defined by the management; • Evaluating the outcome of prior period assessment of ECL of accounts receivable, to assess the effectiveness of management's estimation process;

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Impairment assessment of accounts receivable (continued)	• Challenging management's basis and judgement in determining credit loss allowance on accounts receivable with the assistance of auditor's valuation expert, including: – The estimation of loss rate for debtors; and – The basis of estimated loss rates applied. • Obtaining the valuation report in relation to ECL of accounts receivable and with the assistance of valuation expert engaged by us: – Assessing the appropriateness of the valuation method adopted by the management; – Challenging management's basis and judgement in determining ECL on accounts receivable, including the basis for the estimated loss rates applicable to each category in the provision matrix; and – Comparing significant unobservable input with industry or market data to evaluate the reasonableness of the significant unobservable input. • Evaluating the reasonableness of the forward-looking adjustments made to reflect current and forecast future economic condition against public available information; and • Comparing new information or subsequent event during the audit process to assess their impact on the impairment assessment of accounts receivable, to determine if additional ECL is required.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Tak Man, Stephen.

RSM Hong Kong
Certified Public Accountants

March 28, 2025

Consolidated Statement of Profit or Loss

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Revenues	6	**2,065,694**	2,137,834
Cost of revenues		**(1,100,262)**	(1,176,190)
Gross profit		**965,432**	961,644
Fulfillment expenses		**(122,619)**	(155,652)
Selling and marketing expenses		**(757,903)**	(569,266)
Administrative expenses		**(233,203)**	(209,287)
Research and development expenses		**(438,969)**	(449,700)
Other income	7	**10,199**	44,137
Other gains, net	8	**1,836**	2,539
Operating loss		**(575,227)**	(375,585)
Finance income	10	**43,298**	54,514
Finance expenses	10	**(2,197)**	(5,282)
Finance income, net		**41,101**	49,232
Fair value changes of convertible redeemable preferred shares	34	**–**	1,432,261
(Loss)/profit before income tax		**(534,126)**	1,105,908
Income tax expenses	11	**(584)**	–
(Loss)/profit for the year attributable to owners of the Company	12	**(534,710)**	1,105,908
(Loss)/earnings per share (expressed in RMB per share)	14		
Basic		**(1.15)**	3.78
Diluted		**(1.15)**	3.50

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
(Loss)/profit for the year		**(534,710)**	1,105,908
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Fair value change on convertible redeemable preferred shares due to own credit risk	34	**–**	(138,007)
Currency translation differences		**10,378**	(260,551)
Other comprehensive income/(expense) for the year attributable to owners of the Company, net of tax		**10,378**	(398,558)
Total comprehensive (expense)/income for the year attributable to owners of the Company		**(524,332)**	707,350

Consolidated Statement of Financial Position

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property and equipment	15	**19,367**	17,982
Right-of-use assets	16	**34,657**	62,256
Intangible assets	17	**7,455**	11,561
Financial assets at fair value through profit or loss	20	**54,224**	13,519
Other non-current assets	18	**54,164**	51,994
		169,867	157,312
Current assets			
Inventories	23	**136,736**	121,380
Accounts receivable	21	**205,191**	228,279
Prepayments and other current assets	22	**195,486**	174,842
Financial assets at fair value through profit or loss	20	**433,009**	65,199
Short-term time deposits	24(b)	**553**	88,960
Restricted bank deposits	24(c)	**700**	–
Cash and cash equivalents	24(a)	**764,260**	1,612,769
		1,735,935	2,291,429
Total assets		**1,905,802**	2,448,741
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	**168**	168
Other reserves	27	**8,204,827**	8,187,464
Accumulated losses		**(6,849,193)**	(6,314,483)
Total equity		**1,355,802**	1,873,149

Consolidated Statement of Financial Position

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	**17,462**	32,453
Other non-current liability		**5,639**	10,968
		23,101	43,421
Current liabilities			
Accounts payable	30	**149,240**	157,417
Accrued expenses	31(a)	**246,152**	177,355
Other current liabilities	31(b)	**42,076**	57,838
Contract liabilities	32	**71,790**	93,280
Borrowings	33	**–**	10,009
Lease liabilities	16	**17,641**	36,272
		526,899	532,171
Total liabilities		**550,000**	575,592
Total equity and liabilities		**1,905,802**	2,448,741

Approved by the Board of Directors on March 28, 2025 and were signed on its behalf by:

Mr. Wang Ning
Director

Mr. Peng Wei
Director

Consolidated Statement of Changes in Equity

		Attributable to owners of the Company			
	Note	Share capital (Note 25) RMB'000	Other reserves (Note 27) RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2024		**168**	**8,187,464**	**(6,314,483)**	**1,873,149**
Loss for the year		**–**	**–**	**(534,710)**	**(534,710)**
Other comprehensive income					
Currency translation differences		**–**	**10,378**	**–**	**10,378**
Total comprehensive income/ (expense) for the year		**–**	**10,378**	**(534,710)**	**(524,332)**
Transactions with owners in their capacity as owners					
Share-based compensation	29	**–**	**65,104**	**–**	**65,104**
Exercise of share options and vesting of restricted share units		**–**	**9,854**	**–**	**9,854**
Repurchase of shares, including related expenses		**–**	**(67,973)**	**–**	**(67,973)**
Total transactions with owners in their capacity as owners		**–**	**6,985**	**–**	**6,985**
Balance at December 31, 2024		**168**	**8,204,827**	**(6,849,193)**	**1,355,802**

Consolidated Statement of Changes in Equity

		Attributable to owners of the Company			
	Note	Share capital (Note 25) RMB'000	Other reserves (Note 27) RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2023		61	(89,833)	(7,420,391)	(7,510,163)
Profit for the year		–	–	1,105,908	1,105,908
Other comprehensive expense					
Fair value change on convertible redeemable preferred shares due to own credit risk	34	–	(138,007)	–	(138,007)
Currency translation differences		–	(260,551)	–	(260,551)
Total comprehensive (expense)/ income for the year		–	(398,558)	1,105,908	707,350
Transactions with owners in their capacity as owners					
Share-based compensation	29	–	30,935	–	30,935
Issuance of ordinary shares from the initial public offering ("IPO")		4	272,436	–	272,440
Conversion of convertible redeemable preferred shares to ordinary shares	34	103	8,372,484	–	8,372,587
Total transactions with owners in their capacity as owners		107	8,675,855	–	8,675,962
Balance at December 31, 2023		168	8,187,464	(6,314,483)	1,873,149

Consolidated Statement of Cash Flows

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash used in operations	35	**(467,400)**	(318,734)
Income tax paid		**(584)**	–
Net cash outflow from operating activities		**(467,984)**	(318,734)
Cash flows from investing activities			
Investments in financial assets at fair value through profit or loss	20	**(876,018)**	(88,335)
Proceeds from disposal of financial assets at fair value through profit or loss	20	**477,236**	163,189
Investments in short-term time deposits		**(95,537)**	(153,532)
Proceeds from maturity of short-term time deposits		**182,322**	141,299
Purchase of property and equipment		**(12,239)**	(3,649)
Purchase of intangible assets		**(1,033)**	(3,027)
Interest income received		**45,314**	52,833
Payment for long-term naming rights and sponsorship fees		**(6,000)**	(6,000)
Investments in financial assets at amortized cost		**(78,420)**	(206,649)
Proceeds from disposal of financial assets at amortized cost		**78,863**	206,649
Proceeds from disposal of property and equipment		**243**	479
Net cash (outflow)/inflow from investing activities		**(285,269)**	103,257
Cash flows from financing activities			
Proceeds from issuance of ordinary shares from the IPO, net of sponsor fee and other issuance costs		**–**	270,905
Proceeds from bank borrowings		**–**	50,708
Repayment of bank borrowings		**(10,000)**	(115,185)
Bank borrowing interests paid		**(73)**	(1,571)
Payment for listing expenses		**–**	(565)
Payments for principal elements and related interest of leases	16	**(35,111)**	(48,037)
Proceeds from exercise of share options		**9,675**	–
Repurchase of shares, including related expenses		**(67,973)**	–
Net cash (outflow)/inflow from financing activities		**(103,482)**	156,255
Net decrease in cash and cash equivalents		**(856,735)**	(59,222)
Cash and cash equivalents at the beginning of the year	24	**1,612,769**	1,672,217
Effects of exchange rate changes on cash and cash equivalents		**8,226**	(226)
Cash and cash equivalents at the end of the year	24	**764,260**	1,612,769

1. GENERAL INFORMATION

Keep Inc. (the "Company") was incorporated in the Cayman Islands on April 21, 2015 as an exempted company with limited liability. The Company's shares have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on July 12, 2023 (the "Listing Date") through a global offering. The registered office is at the offices of ICS Corporate Services (Cayman) Limited, Palm Grove Unit 4265 Smith Road, George Town, P.O. Box 52A Edgewater Way, #1653 Grand Cayman KY1-9006, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "Group"), are primarily engaged in operating an integrated online and offline platform for fitness service and online retail of fitness related products in the People's Republic of China ("the PRC"). The principal activities of its subsidiaries including structured entities, are set out in Note 13 to the consolidated financial statements.

Mr. Wang Ning is a single largest shareholder of the Company as at the date of the report.

2. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.1.1 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Adoption of new and revised IFRS Accounting Standards

(a) Application of new and revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

Adoption of Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to IAS 1 "Non-current Liabilities with Covenants" (collectively the "IAS 1 Amendments")

As a result of the adoption of the IAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the IAS 1 Amendments.

Except for the above, other amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Adoption of new and revised IFRS Accounting Standards (continued)

(b) Revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards, which are not effective for the year ended December 31, 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 – Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The directors of the Company are in the process of making an assessment of what the impacts of these new standards and amendments to standards are expected to be in the period of initial application. So far the directors anticipate that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Adoption of new and revised IFRS Accounting Standards (continued)

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.1 Subsidiaries controlled through Contractual Arrangements

In order to comply with the PRC laws and regulations that prohibit or restrict foreign control of companies involved in providing internet content and other restricted businesses, the Group operates its business operations in these areas in the PRC through a series of Contractual Arrangements entered into among the Company, its wholly-owned subsidiaries, and certain domestic entities that are legally owned by certain management members of the Group ("Nominee Shareholders") authorized by the Group. The Contractual Arrangements include consulting and services agreement, option agreements, share pledge agreements, business cooperation agreement, spousal consents and powers of attorney, which enable the Group to:

- govern the financial and operating policies of the PRC operating entities;
- exercise equity holder voting rights of the PRC operating entities;
- receive substantially all of the economic interest returns generated by the PRC operating entities in consideration for the technical support, consulting and other services provided exclusively by the wholly foreign-owned enterprise (the "WFOE");
- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the PRC operating entities at any time and from time to time, at the minimum consideration permitted by the relevant law in China at the time of transfer; and
- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collateral for all of the PRC operating entities' payments due to the Group to secure performance of entities' obligation under the Contractual Arrangements.

Accordingly, the Group has rights to control these entities.

2.2.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment loss (if any). Cost includes directly attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Group.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries incorporated in Hong Kong and Singapore is United States dollar ("USD"). The Company's primary subsidiaries and structured entities are incorporated in the PRC and for these subsidiaries and structured entities, the Renminbi ("RMB") is the functional currency. The Group's presentation currency is RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss on a net basis within other gains, net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss（"FVPL") are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("FVOCI") are recognized in other comprehensive income ("OCI").

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Foreign currency translation (Continued)

(c) Translation on consolidation

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rate on the dates of the transactions); and

- all resulting currency translation differences are recognized in OCI and accumulated in the foreign currency transaction reserve.

On consolidation, currency translation differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognized in OCI and accumulated in the currency translation reserve. When a foreign operation is sold, such currency translation differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal. The accumulative translation adjustments related to subsidiaries with same functional currency as the Company is presented as part of items of OCI that will not be reclassified to profit or loss.

2.5 Property and equipment

Property and equipment are held for use in the production or supply of goods or services, or for administrative purpose. Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

• Electronic equipment	3-5 years
• Office and fitness equipment	3-5 years
• Production equipment	5 years
• Leasehold improvements	the shorter of the term of the lease or the estimated useful lives of the assets

The residual values, useful lives and depreciation method of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

The gain or loss on disposal of property and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the consolidated statement of profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Intangible assets

(a) Domain names and software

Separately acquired domain names and software are initially recognized and measured at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses (if any).

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets, where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use or sale;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

(b) Research and development

Research expenditures are recognized as an expense as incurred. Costs incurred on development projects are capitalized as intangible assets when recognition criteria are met, including (a) it is technically feasible to complete the software so that it will be available for use or sale; (b) management intends to complete the software and use or sell it; (c) there is an ability to use or sell the software; (d) it can be demonstrated how the software will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (f) the expenditure attributable to the software during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred. There were no development costs meeting these criteria and capitalized as intangible assets during the year ended December 31, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Intangible assets (Continued)

(c) Amortization methods and periods

Length of estimated useful life is determined to be the shorter of the period of contractual rights or estimated period during which such intangible assets can bring economic benefits to the Group.

The Group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Domain name	3-20 years	The period of effective registration during which such domain name can bring economic benefits
Software	1-3 years	Shorter of the period of contractual rights or estimated period during which such software can bring economic benefits

2.7 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 Investments and other financial assets

(a) Classification

The Group classifies its financial assets into:

- those to be measured at fair value (either through OCI or through profit or loss); and

- those to be measured at amortized cost（"AC"）.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

See Note 19 for details of each type of financial assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Investments and other financial assets (Continued)

(b) Recognition and derecognition

Purchases and sales of financial assets are recognized on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are immediately expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- AC: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are recognized in OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

- FVPL: Assets that do not meet the criteria for AC or FVOCI are measured at FVPL. Changes in fair value are recognized in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Investments and other financial assets (Continued)

(d) Impairment

While cash and cash equivalents, short-term time deposits with original maturities over three months but less than one year are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECL to be recognized from initial recognition of the receivables, see Note 3.1(b) for details.

Impairment of other receivables that are included in prepayments and other current assets are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk for a particular financial instrument;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– significant increases in credit risk on other financial instruments of the same debtor; and

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Investments and other financial assets (Continued)

(d) Impairment (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

– when there is a breach of financial covenants by the counterparty; or

– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Investments and other financial assets (Continued)

(d) Impairment (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost or net realizable value. Costs are assigned to individual items of inventories on the basis of weighted average costs. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Accounts and other receivables

Accounts receivable are primarily amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year (or in the normal operating cycle of the business if longer) and therefore all classified as current assets.

Accounts receivable are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. The Group holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

Other receivables are recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

See Note 21 for further information about the Group's accounting for accounts receivable, Note 22 for further information about other receivables and Note 2.8(d) for a description of the Group's impairment policies.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Cash and bank balance

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, highly liquid investments placed in banks with original maturities of three months or less at acquisition, cash held at third party payment platforms that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits (with original maturities of three months or less) with restriction on use held at bank were classified as cash and cash equivalents as long as the restrictions did not change the nature of the cash.

All time deposits held at bank with original maturities over three months and less than one year with corresponding interest receivables were classified as short-term time deposits.

2.12 Share capital

Ordinary shares are classified as equity.

The repurchase of ordinary shares held by certain shareholder is measured at fair value of ordinary shares and debited to share capital and other reserves accordingly. The difference between fair value of ordinary shares and the repurchase price was recognized as profit or loss.

2.13 Accounts and other payables

Accounts and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are generally paid within three months of invoice date. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.14 Convertible redeemable preferred shares ("Preferred Shares")

Preferred Shares issued by the Company are redeemable at the option of the holder upon occurrence of certain events. These instruments can also be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon occurrence of an IPO of the Company. For details, refer to Note 34.

The Group designated the Preferred Shares as financial liabilities at FVPL. They are initially recognized at fair value. Any directly attributable transaction costs are recognized in profit or loss. Fair value changes relating to market risk are recognized in profit or loss, while the component of fair value changes relating to the Company's own credit risk is recognized in OCI. If the treatment of the impact of changes in the financial liabilities' own credit risk will create or enlarge the accounting mismatch in profit or loss, the Group shall recognize the entire gains or losses of the financial liabilities (including the amount of impact of changes in its own credit risk) in profit or loss. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to accumulated losses when realized.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs are expensed in the period in which they are incurred.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.16 Current and deferred income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries and structured entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax assets are realized or the deferred income tax liabilities are settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Current and deferred income tax (Continued)

Deferred income tax (continued)

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized in OCI or directly in equity. In this case, the tax is recognized in OCI or directly in equity, respectively.

Tax incentives

Companies within the Group may be entitled to claim special tax deductions in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

2.17 Employee benefits

(a) Short-term obligations

Liabilities for wages, salaries, bonuses and other allowances that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations, which are included in accrued expenses in the consolidated statement of financial position.

(b) Pension obligations

Full-time employees in the PRC are covered by various government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no further payment obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Employee benefits (Continued)

(c) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Bonus entitlements

The expected cost of bonus payments is recognized as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and measured at the amounts expected paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.18 Share-based compensation

The Group operates three Share Incentive Plans, under which it receives services from employees in exchange for equity instruments of the Company.

(a) Share options

The fair value of options granted under the Share Incentive Plans is recognized as share-based compensation over the requisite service period, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted to employees on grant date by using binomial option-pricing models:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Share-based compensation (Continued)

(b) Restricted shares units ("RSUs")

For RSUs, the total amount to be expensed is determined by reference to the fair value of the Company's shares at the grant date. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, using graded vesting method.

The Group recognizes share-based compensation expenses in its consolidated statement of profit or loss based on awards ultimately expected to vest, after considering estimated forfeitures of the Group. The number of share options or RSUs granted expected to vest has been reduced to reflect historical experience of forfeiture of certain percentage of options or RSUs granted prior to completion of vesting period and accordingly the share-based compensation expense has been adjusted.

2.19 Revenue recognition

The Group primarily derives revenue from (1) sales of self-branded fitness products, (2) online membership and paid content service, and (3) advertising service. The Group recognizes revenue when or as the control of the promised goods or services is transferred to a customer, net of value-added taxes ("VAT"), rebates and certain sales incentives. If control of the services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

2.19.1 The accounting policy for the Group's principal revenue sources

(a) Sales of self-branded fitness products

The Group derives revenue from sale of self-branded fitness products, including delivery services. The Group's revenue are primarily derived from (i) sales of the Group's products to end customers directly through the Group's online stores run on third party's ecommerce platforms and through the online platform operated by the Group and (ii) sales of the Group's products to third-party wholesale channels who then sell to end customers.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Revenue recognition (Continued)

2.19.1 The accounting policy for the Group's principal revenue sources (continued)

(a) Sales of self-branded fitness products (continued)

(i) Sales of the Group's products to end customers directly through the Group's online stores run on third party's ecommerce platforms and through the online platform operated by the Group

Most of the Group's sales of self-branded fitness products derived from online stores. The Group sets up online stores on third party's ecommerce platforms to sell the Group's products to end customers. The platforms provide services to the Group to support the operations of the online stores including processing sales orders and collecting cash consideration from end customers. The platforms charge the Group service fees based on the Group's sales through these online stores. The Group enters into sales contracts directly with the end customers. The platforms do not take control of the goods and have no sales contract with end customers. The Group is responsible for selling and fulfilling all obligations according to its sales contracts with end customers, including delivering products and providing customer support. Therefore, the Group determines that the end customers are the Group's customers. The sales contracts with end customers usually include a customer's right to return products within 7 days after receipt of goods.

The Group identifies its performance obligation to end customers as to transfer the control of the ordered products to end customers. Contracts with customers may include multiple performance obligations if there is a need to split one customer order into multiple deliveries. Under these circumstances, transaction prices will be allocated to different performance obligations based on relative standalone selling prices. Sales from the end customers through the Group's online platform are prepaid and recorded as contract liabilities. The Group recognizes revenue from sales to end customers upon delivery of the product to end customers in an amount equal to the contract sales prices less estimated sales allowances for sales returns and sales incentives.

(ii) Sales of the Group's products to third-party wholesale channels who then sell to end customers

The third-party wholesale channels purchase products from the Group and then resell the products to end customers. Subject to the underlying agreements with the wholesale channels, there are mainly two types of arrangements with wholesale channels. Under type I arrangements, the wholesale channels take control of the products upon delivery of the products to the wholesale channels' warehouses and accepted by the wholesale channels. Under type II arrangements, the wholesale channels take control of the products when orders are placed by end customers and the products are subsequently delivered out of wholesale channels' warehouse to end customers. After taking control of the products, the wholesale channels are responsible for selling and fulfilling all obligations in their sales contracts with end customers, including delivering the products and providing customer support. Therefore, the Group determines that the wholesale channels are the Group's customers. Under the distribution agreement, the Group has a sale contract with their wholesale channels and has no sales contract with the end customers.

Sales to the Group's wholesale channels are on credit terms which is usually less than three months. The Group recognizes revenue and receivables from sales to the wholesale channels upon transferring the control of the products to the wholesale channels in an amount equal to the contract sales prices less estimated sales allowances for sales returns and rebates.

The Group provides price protection rebates to certain wholesale channels to effectively compensate the wholesale channels when the wholesale channels offer discount to end customers, which are accounted for as variable consideration. The Group estimates these amounts based on the expected amount to be provided to the third-party wholesale channels considering the contracted rebate rates and estimated sales volume based on historical pattern, and account for it as a reduction of the transaction price.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Revenue recognition (Continued)

2.19.1 The accounting policy for the Group's principal revenue sources (continued)

(b) Online membership and paid content service

The Group's membership subscriptions provide unlimited access to content on its online platform of live streaming classes and on-demand fitness classes. The contract period for the membership subscription ranges from one month to one year. All membership subscriptions are non-refundable. The Group has one stand ready obligation to provide its subscribing members with access to content on its online platform, fitness classes and related membership benefits throughout the subscription period. Therefore, revenue is recognized ratably over the contract period as the membership subscription services are delivered. The Group collects membership subscription in advance and records it as contract liabilities.

Online paid content service primarily includes the online sports events service. The Groups arranges online sports events on its own platform. Revenue is primarily generated from event entry fees charged to event participants. Entry fees are paid in advance and non-refundable after the event participants complete the events or after the end of the online sports event. The performance obligation is satisfied over the service period, as the services are delivered.

(c) Advertising services

Advertising revenue is derived from online and offline advertising, most of which is in the form of display advertisement. Display advertising arrangements allow customers, primarily advertising agencies, to place advertisements on particular areas of the Group's online platform or offline events in particular formats and over particular periods of time. The Group recognizes revenue from advertising services ratably over the periods during which the advertising services are provided.

Certain customers may receive rebates, which are accounted for as variable consideration. The Group estimates rebates based on expected revenue volume with reference to their historical results and account for such as a reduction of revenue.

2.19.2 Contract balances

When either party to a customer contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. Contract balances include accounts receivable and contract liabilities.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

Payment terms and conditions vary by contract and service type. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Revenue recognition (Continued)

2.19.3 Practical expedients and exemptions

The Group has elected to use the practical expedient to not disclose the remaining performance obligations for contracts that have durations of one year or less, as substantially all of the Group's contracts have duration of one year or less.

The revenue standard requires the Group to recognize an asset for the incremental costs of obtaining a contract with a customer if the benefit of those costs is expected to be longer than one year. The Group has determined that sales commission for sales personnel meet the definition of incremental costs of obtaining a contract. The Group generally expenses sales commissions when incurred because the amortization period is generally one year or less. These costs are recorded within selling and marketing expenses.

2.19.4 Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group has applied the practical expedient of not to adjust any of the transaction prices for the time value of money.

2.20 (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing:

(a) the (loss)/profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and

(b) by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted (loss)/earnings per share adjusts the figures used in the determination of basic (loss)/earnings per share to take into account:

(a) the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

(b) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Leases

The Group, as a lessee, leases office buildings, physical store and fitness centers. Lease contracts are typically made for fixed periods of several months to six years. Lease is recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. The Group uses the incremental borrowing rate, for the implicit rate cannot be readily determined, which is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group makes adjustments uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by them.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

(a) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a fitness center or physical store. For certain fitness centers and a physical store including fixed and variable rental payment terms, the variable lease payments that depend on sales are recognized in the consolidated statement of profit or loss in the period in which the condition that triggers those payments occurs.

(b) Modification of lease

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

(i) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(ii) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liabilities, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

For partial or full termination of the lease for lease modifications that decrease the scope of the lease, decreasing the carrying amount of the right-of-use asset. The Group recognize in the consolidated statement of profit or loss of any gain or loss relating to the partial or full termination of the lease.

2.22 Government grants

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants provided to the Group mainly related to financial assistance from the local government in the PRC. There are no unfulfilled condition or other contingencies relating to these grants.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Interest income

Interest income from financial assets at FVPL and certain financial assets at AC is included in the net fair value gains/(losses) on these assets, see Note 8 below.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.24 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.26 Event after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk primarily arises from recognized assets and liabilities denominated in a currency other than the functional currency of the Group's entities. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and control these exposures through entering into foreign exchange forward contracts, when necessary.

The Group's foreign exchange risk primarily arises from cash and cash equivalents and short-term time deposits denominated in USD held by subsidiaries whose functional currency is RMB, and cash and cash equivalents denominated in RMB held by subsidiaries whose functional currency is USD. If USD had strengthened/weakened by 5% against RMB with all other variables held constant, the estimated changes of (loss)/profit before income tax for the years ended December 31, 2024 and 2023 are listed in below table:

(Loss)/profit before income tax	**Year ended December 31,**	
	2024	2023
	RMB'000	RMB'000
Increase 5%	**2,284**	191
Decrease 5%	**(2,284)**	(191)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's interest rate risk primarily arises from borrowing, short-term time deposits and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate risk.

(b) Credit risk

Credit risk mainly arises from cash and cash equivalents, short-term time deposits, accounts receivable and other receivables included in prepayments and other current assets. The carrying amount of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Risk management

Accounts receivable and other receivables included in prepayments and other current assets are managed on a group basis. The finance team is responsible for managing and analyzing the credit risk for each new customer/debtor before standard credit payment terms are offered. The Group assesses the credit quality of its customers and other debtors by taking into account various factors including their financial position, past operational and financial performance and forward-looking factors.

Cash and cash equivalents, restricted bank deposits and short-term time deposits are mainly placed with reputable financial institutions in the PRC and international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions. The ECL is not material.

(ii) Impairment of financial assets

Accounts receivable

The Group applies the IFRS 9 simplified approach to measuring ECL under which the lifetime ECL for all accounts receivable are estimated. To measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and credit rating.

The expected loss rates are based on the historical payment profiles, historical loss rates and data published by external credit rating institution, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified factors such as the Gross Domestic Products of the PRC to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Accounts receivable (continued)

On that basis, the loss allowances of accounts receivable as at December 31, 2024 and 2023 were determined as follows:

	As at December 31,	
	2024	2023
	RMB	RMB
	in thousands, except for percentages	
Expected loss rate	**13.49%**	11.42%
Gross carrying amount	**237,178**	257,701
Loss allowance provision	**31,987**	29,422

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of severe financial difficulty. The amounts of accounts receivable written off during the years ended December 31, 2024 and 2023 were RMB8,011,000 and nil, respectively (Note 21).

Impairment losses on accounts receivable are presented as "administrative expenses" in the consolidated statement of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables included in prepayments and other current assets

Impairment on other receivables included in prepayments and other current assets is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables included in prepayments and other current assets based on historical settlement records and past experience.

On that basis, the loss allowances of other receivables included in prepayments and other current assets as at December 31, 2024 and 2023 were immaterial.

Other financial assets at amortized cost

The Group's other financial assets at amortized cost are considered to have low credit risk, and the loss allowance recognized during the year was therefore limited to 12-month ECL.

Others

While cash and cash equivalents, restricted bank deposits and short-term time deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents, short-term time deposits and investments in wealth management products or to retain adequate financing arrangements to meet the Group's liquidity requirements.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000
As at December 31, 2024					
Accounts payable	**149,240**	**–**	**–**	**–**	**149,240**
Accrued expenses (excluding accrued payroll related expenses)	**130,830**	**–**	**–**	**–**	**130,830**
Other current liabilities (excluding tax payables)	**21,404**	**–**	**–**	**–**	**21,404**
Other non-current liability	**–**	**6,000**	**–**	**–**	**6,000**
Lease liabilities	**18,388**	**13,525**	**4,169**	**–**	**36,082**
Total	**319,862**	**19,525**	**4,169**	**–**	**343,556**
As at December 31, 2023					
Accounts payable	157,417	–	–	–	157,417
Accrued expenses (excluding accrued payroll related expenses)	90,639	–	–	–	90,639
Other current liabilities (excluding tax payables)	26,639	–	–	–	26,639
Other non-current liability	–	6,000	6,000	–	12,000
Borrowings	10,075	–	–	–	10,075
Lease liabilities	37,519	27,115	6,208	–	70,842
Total	322,289	33,115	12,208	–	367,612

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital and other reserves) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

The externally imposed capital requirement for the Group is in order to maintain its listing on the Stock Exchange to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the 25% threshold of public float should be complied with throughout the year.

3.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 inputs: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities measured at fair value as at December 31, 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVPL				
– Wealth management products	**–**	**408,954**	**–**	**408,954**
– Investment in a private fund	**–**	**–**	**24,055**	**24,055**
– Investments in unlisted entities	**–**	**–**	**54,224**	**54,224**
Total	**–**	**408,954**	**78,279**	**487,233**

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities measured at fair value as at December 31, 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVPL				
– Wealth management products	–	29,929	–	29,929
– Investment in a private fund	–	–	35,270	35,270
– Investment in an unlisted entity	–	–	13,519	13,519
Total	–	29,929	48,789	78,718

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability ("DLOM"), market multiples, etc.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (continued)

Level 3 instruments of the Group's assets and liabilities include investments in unlisted entities and a private fund.

The fair value changes in level 3 instruments of the investments in unlisted entities and a private fund for the years ended December 31, 2024 and 2023 are presented in the Note 20.

Investments in unlisted entities

As at December 31, 2024, the Group had certain ordinary shares with preferential rights of several unlisted entities, which were measured as financial assets at FVPL (Note 20). The Company engaged a third-party valuation firm to manage the valuation of level 3 instruments of the unlisted entities for financial reporting purposes.

As at December 31, 2024, the market approach method was used to determine the fair value of the investments in the unlisted entities. Unobservable inputs under market approach method included risk-free interest rate, DLOM and expected volatility. There were no changes in the valuation technique used.

At December 31, 2024

Description	**Unobservable inputs**	**Range**	**Relationship of unobservable inputs to fair value**
Unlisted entities	**Risk-free interest rate**	**1.16%-1.46%**	**The higher the risk-free interest rate, the lower the fair value**
	DLOM	**15.00%-25.00%**	**The higher the DLOM, the lower the fair value**
	Expected volatility	**43.18%-67.44%**	**The higher the expected volatility, the lower the fair value**

At December 31, 2023

Description	Unobservable inputs	Range	Relationship of unobservable inputs to fair value
Unlisted entity	Risk-free interest rate	2.35%	The higher the risk-free interest rate, the lower the fair value
	DLOM	20.00%	The higher the DLOM, the lower the fair value
	Expected volatility	47.84%	The higher the expected volatility, the lower the fair value

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (continued)

Investments in unlisted entities (continued)

If the Company's unobservable inputs used to determine the fair value of the investments of unlisted entities had increased/decreased by 10% with all other variables held constant, the estimated fair value changes from carrying amount are listed in below table.

Fair value of the investments in unlisted entities	**As at December 31, 2024**		
	Expected volatility RMB'000	**DLOM RMB'000**	**Risk-free interest rate RMB'000**
Increase 10%	**(2,943)**	**(570)**	**(157)**
Decrease 10%	**2,995**	**443**	**157**

Fair value of the investment in an unlisted entity	As at December 31, 2023		
	Expected volatility RMB'000	DLOM RMB'000	Risk-free interest rate RMB'000
Increase 10%	(576)	(313)	(59)
Decrease 10%	595	301	59

Investment in a private fund

The Group's private fund categories in Level 3 were managed by an independent fund manager who applied various investment strategies to accomplish their respective investment objectives. The fair value of the private fund is recognized based on the valuation supplied by the fund manager. The valuation is measured by the percentage of ownership of the private fund's net asset value, which is an unobservable input. The fund manager estimated the fair value of the underlying investments based on the direct market quote for level 1 financial instruments. For other investments, the fund manager applies appropriate valuation techniques such as latest transaction price, discounted cash flow, or any other appropriate valuation techniques suitable for the underlying investments. The models are calibrated regularly and tested using prices from any observable current market transactions in the same instruments or based on any available observable market data.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (continued)

Investment in a private fund (continued)

If the net assets value used to determine the fair value of the investment of a private fund had increased/decreased by 10% with all other variables held constant, the estimated fair value changes from carrying amount are listed in below table.

Fair value of the investment in a private fund	**As at December 31, 2024 Net assets value RMB'000**
Increase 10%	**2,406**
Decrease 10%	**(2,406)**

Fair value of the investment in a private fund	As at December 31, 2023 Net assets value RMB'000
Increase 10%	3,527
Decrease 10%	(3,527)

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2024 and 2023.

The carrying amounts of the Group's financial assets that are not measured at fair value, including cash and cash equivalents, short-term time deposits, restricted bank deposits, accounts receivable, other receivables included in prepayments and other current assets, other financial assets at AC and the Group's financial liabilities that are not measured at fair value, including borrowing, accounts payable, accrued expenses and other current liabilities, approximate their fair values due to their short maturities.

4. CRITICAL JUDGMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Significant increase in credit risk

As explained in Notes 2.8(d) and 3.1(b), ECL are measured as an allowance equal to 12-month ECL or lifetime ECL. An asset moves to lifetime ECL when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(b) Contractual arrangements

As disclosed in Note 2.2.1, the Group exercises control over certain structured entities and has the right to recognize and receive substantially all the economic benefits from them through the Contractual Arrangements. The directors consider that the Group controls these structured entities notwithstanding that it does not have direct or indirect legal ownership in equity of these entities as the Group has power over the financial and operating policies of these entities and receives substantially all the economic interest returns generated from the business activities of these entities through these Contractual Arrangements. Accordingly, all these structured entities are accounted for as controlled structured entities and their financial statements have also been consolidated by the Company throughout the reporting period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the structured entities. Uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the structured entities. Significant judgement is involved in determining whether the Group is able to control these entities through these Contractual Arrangements. The directors of the Company, after taking into account of the advice from its external legal advisors, consider that the Contractual Arrangements entered into by the Group are in compliance with the relevant PRC laws and regulations and are therefore legally binding and enforceable.

4. CRITICAL JUDGMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) *Fair value of investments in unlisted entities*

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group's investments in unlisted entities as detailed in Note 20 using valuation technique with unobservable inputs. The key unobservable inputs are set out in Note 3.3(c).

The carrying amount of these investments in unlisted entities as at December 31, 2024 was RMB54,224,000 (2023: RMB13,519,000).

(b) *Impairment of accounts receivable*

The Group uses the practical expedient in estimating ECL on accounts receivable using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts receivable are disclosed in Note 3.1(b).

As at 31 December 2024, the carrying amount of accounts receivable is RMB205,191,000 (net of allowance for doubtful debts of RMB31,987,000) (2023: RMB228,279,000 (net of allowance for doubtful debts of RMB29,422,000)).

(c) *Current and deferred income tax*

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences or tax losses are recognized when management considers that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. As at December 31, 2024, the Group did not recognize deferred tax assets in respect of such temporary differences or cumulative tax losses that can be carried forward against future taxable income (Note 11). The outcome of their actual utilization may be different from management's estimation.

(d) *Impairment of property and equipment and right-of-use assets*

Property and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment (if any). In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The net carrying amount of property and equipment and right-of-use assets as at December 31, 2024 were RMB19,367,000 (2023: RMB17,982,000) and RMB34,657,000 (2023: RMB62,256,000) respectively.

4. CRITICAL JUDGMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(e) Allowance for inventories

Allowance for inventories is made based on the ageing and estimated net realizable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. As at December 31, 2024, allowance for inventories, net of reversal, was recognized of RMB9,414,000 (2023: RMB6,366,000).

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on current market conditions and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer's taste and competitor's actions in response to severe industry cycles. The Group will reassess the estimates by the end of each reporting period.

5 SEGMENT INFORMATION

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions. The Group evaluated its operating segments separately or aggregately, and determined that it has reportable segments as follows:

- Self-branded fitness products
- Online membership and paid content
- Advertising and others

The CODM assesses the performance of the operating segments mainly based on revenues and gross profit of each operating segment. Thus, segment result would present revenues, cost of revenues and gross profit, which is in line with CODM's performance review.

The cost of revenues for the self-branded fitness products primarily consists of material costs, manufacturing cost and related costs that are directly attributable to the cost of products sold. The cost of revenues for the online membership and paid content primarily consists of cost of online sports events, payment channel fees paid to third-party application stores and other payment channels, and content related cost. The cost of revenues for the advertising and others primarily consists of advertising production cost.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers attributed to the PRC. As at December 31, 2024 and 2023, substantially all of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

5 SEGMENT INFORMATION (CONTINUED)

There were no material inter-segment sales during the years ended December 31, 2024 and 2023. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated statement of profit or loss.

The segment results for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31, 2024			
	Self-branded fitness products RMB'000	**Online membership and paid content RMB'000**	**Advertising and others RMB'000**	**Total RMB'000**
Revenues	**953,914**	**917,833**	**193,947**	**2,065,694**
Cost of revenues	**(651,467)**	**(327,284)**	**(121,511)**	**(1,100,262)**
Gross profit	**302,447**	**590,549**	**72,436**	**965,432**

	Year ended December 31, 2023			
	Self-branded fitness products RMB'000	Online membership and paid content RMB'000	Advertising and others RMB'000	Total RMB'000
Revenues	946,087	995,760	195,987	2,137,834
Cost of revenues	(683,876)	(370,085)	(122,229)	(1,176,190)
Gross profit	262,211	625,675	73,758	961,644

6 REVENUES

The breakdown of revenues for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
Self-branded fitness products		
– Online retail sales	**607,308**	680,715
– Wholesale channels sales	**346,606**	265,372
Online membership and paid content	**917,833**	995,760
Advertising and others	**193,947**	195,987
Total	**2,065,694**	2,137,834

6 REVENUES (CONTINUED)

Timing of revenue recognition is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue recognized over time	**1,076,314**	1,160,997
Revenue recognized at a point in time	**989,380**	976,837
Total	**2,065,694**	2,137,834

All the revenues derived from a single external customer were less than 10% of the Group's total revenues for the years ended December 31, 2024 and 2023.

7 OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Government grants (Note)	**9,727**	40,832
Value-added tax deduction	**472**	3,305
Total	**10,199**	44,137

Note: For the year ended December 31, 2024, government grants of RMB9,727,000 (2023: RMB40,832,000) mainly for rewarding the Group's past contribution to the local economic growth. The grants, at the discretion of the relevant authorities, were accounted for as financial support with no future related costs expected to be incurred nor related to any assets. As such, an amount of RMB9,727,000 (2023: RMB40,832,000) was recognized in the consolidated statement of profit or loss when the grants were received.

8 OTHER GAINS, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Net losses on disposal of property and equipment	**(1,051)**	(1,231)
Net fair value gains on financial assets at FVPL (Note 20)	**8,077**	57
Investment gains on other financial assets at AC	**434**	–
Net foreign exchange (losses)/gains	**(609)**	1,401
Others	**(5,015)**	2,312
Total	**1,836**	2,539

9 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**420,887**	450,046
Share-based compensation expenses	**64,939**	30,965
Retirement benefit – defined contribution plans	**47,442**	50,705
Other social security costs, housing benefits and other employee benefits	**114,559**	108,066
Total	**647,827**	639,782

(a) Retirement benefit – defined contribution plans

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC.

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "PRC Retirement Schemes"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

During the years ended December 31, 2024 and 2023, the Group had no forfeited contributions under the PRC Retirement Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at December 31, 2024 and 2023 under the PRC Retirement Scheme which may be used by the Group to reduce the contribution payable in future years.

(b) Five highest paid individuals

Three of the five individuals (2023: one) whose emoluments were the highest in the Group for the year ended December 31, 2024 were the directors of the Company, respectively. The emoluments payable to the remaining two individuals (2023: four) for the year ended December 31, 2024 are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and allowances	**3,823**	6,142
Discretionary bonuses	**500**	1,079
Share-based compensation expenses	**12,940**	14,793
Retirement benefit – defined contribution plans	**90**	266
Other social security costs, housing benefits and other employee benefits	**124**	356
Total	**17,477**	22,636

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Year ended December 31, 2024	2023
HKD2,500,001 to HKD3,000,000	–	1
HKD3,500,001 to HKD4,000,000	–	1
HKD4,500,001 to HKD5,000,000	–	1
HKD5,000,001 to HKD5,500,000	1	–
HKD13,500,001 to HKD14,000,000	1	1
Total	2	4

(c) Benefits and interests of directors

The remuneration of every director and the chief executive officer is set out below:

For the year ended December 31, 2024:

Name	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share-based compensation expenses RMB'000	Retirement benefits scheme contributions RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
Mr. Wang Ning	–	1,368	500	2,548	83	94	4,593
Mr. Peng Wei	–	1,565	500	2,548	66	94	4,773
Mr. Liu Dong	–	1,584	500	5,275	78	93	7,530
Mr. Li Haojun (Note a)	–	–	–	–	–	–	–
Ms. Ge Xin	600	–	–	–	–	–	600
Mr. Shan Yigang	400	–	–	–	–	–	400
Mr. Wang Haining	400	–	–	–	–	–	400
Total	1,400	4,517	1,500	10,371	227	281	18,296

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Benefits and interests of directors (Continued)

For the year ended December 31, 2023:

Name	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share-based compensation expenses RMB'000	Retirement benefits scheme contributions RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
Mr. Wang Ning	–	1,476	350	–	79	89	1,994
Mr. Peng Wei	–	1,565	380	–	59	89	2,093
Mr. Liu Dong	–	1,564	380	6,773	63	89	8,869
Mr. Li Haojun	–	–	–	–	–	–	–
Ms. Ge Xin (Note b)	150	–	–	–	–	–	150
Mr. Shan Yigang (Note b)	150	–	–	–	–	–	150
Mr. Wang Haining (Note b)	150	–	–	–	–	–	150
Total	450	4,605	1,110	6,773	201	267	13,406

Note a: Mr. Li Haojun resigned as non-executive director on December 27, 2024.

Note b: The appointments of Ms. Ge Xin, Mr. Shan Yigang and Mr. Wang Haining as independent non-executive directors take effect from July 12, 2023.

Mr. Wang Ning is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

No director and chief executive officer of the Company waived any emoluments during the years ended December 31, 2024 and 2023.

(i) Benefits and interests of directors

Except for benefits and interests disclosed above, there is no other benefits and interests offered to the directors.

(ii) Directors' termination benefits

No director's termination benefit subsisted at the end of the period or at any time during the years ended December 31, 2024 and 2023.

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Benefits and interests of directors (Continued)

(iii) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted at the end of the period or at any time during the years ended December 31, 2024 and 2023.

(iv) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors was subsisted at the end of the period or at any time during the years ended December 31, 2024 and 2023.

(v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of the period or at any time during the years ended December 31, 2024 and 2023.

10 FINANCE INCOME, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Finance income:		
Interest income from bank deposits	**43,298**	54,514
Finance expenses:		
Interest expenses from lease (Note 16)	**(1,553)**	(2,932)
Interest expenses from borrowings	**(64)**	(1,533)
Interest expenses from other liability	**(580)**	(817)
	(2,197)	(5,282)
Total	**41,101**	49,232

11 INCOME TAX EXPENSES

Income tax has been recognized in profit or loss as following:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Withholding tax in the PRC		
Current tax-provision for the year	**584**	–

(a) Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to tax on income or capital gains. Additionally, the Cayman Islands do not impose a withholding tax on payments of dividends to shareholders. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

(b) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax for the years ended December 31, 2024 and 2023 have been made as there is no assessable profit subject to Hong Kong Profits Tax.

(c) Singapore Corporate Income Tax

No provision for Singapore Corporate Income Tax for the years ended December 31, 2024 and 2023 have been made as there is no assessable profit subject to Singapore Corporate Income Tax.

(d) PRC Enterprise Income Tax ("EIT")

In accordance with the Enterprise Income Tax Law ("EIT Law"), Foreign Investment Enterprises ("FIEs") and domestic companies are subject to EIT at a uniform rate of 25%. Beijing Calorie Information Technology Co., Ltd. and Beijing Calorie Technology Co., Ltd. were qualified as a High and New Technology Enterprise ("HNTE") since 2017 and 2018 respectively and enjoyed a preferential tax rate of 15% for the years ended December 31, 2024 and 2023. Shenzhen Calorie Sports Technology Co., Ltd. was qualified as a HNTE in 2024, and enjoyed a preferential tax rate of 15% for the year ended December 31, 2024. The other entities incorporated in the PRC are subject to an enterprise income tax at a rate of 25%.

11 INCOME TAX EXPENSES (CONTINUED)

(d) PRC Enterprise Income Tax ("EIT") (Continued)

According to the regulations promulgated by the State Tax Bureau of the PRC that was effective from March 2021 to September 2022, enterprises engaging in research and development activities were entitled to claim 175% of their research and development activities incurred when determining their tax assessable profits for that year ("Super Deduction"). The State Tax Bureau announced to increase the Super Deduction rate to 200% of their research and development expenses from October 1, 2022 to December 31, 2022. The State Tax Bureau further announced in March 2023 that enterprises engaging in research and development activities would be entitled to claim 200% of their research and development expenses as Super Deduction from January 1, 2023 onwards.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located". Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its entities registered outside of the PRC should be considered as resident enterprises for the PRC tax purposes.

(e) Withholding tax ("WHT") in Mainland China

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by a FIE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China. According to the arrangement between the mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by a FIE in China to its immediate holding company in Hong Kong will be subject to WHT at a rate of no more than 5% (if the immediate holding company in Hong Kong is the beneficial owner of the FIE and owns directly at least 25% of the shares of the FIE). In accordance with accounting guidance, all undistributed earnings are presumed to be distributable to the parent company and WHT should be accrued accordingly. All FIEs are subject to the WHT from January 1, 2003. The presumption may be overcome if the Group has sufficient evidence to demonstrate that the undistributed dividends will be re-invested and the remittance of the dividends will be postponed indefinitely.

The undistributed earnings and reserves of the Group entities located in the PRC are considered to be indefinitely reinvested, because the Group does not have any present plan to pay any cash dividends on its ordinary shares in the foreseeable future and intends to retain most of its available funds and any future earnings for use in the operation and expansion of its business. Accordingly, no deferred tax liability on 10% WHT of aggregate undistributed earnings and reserves of the Group's entities located in the PRC has been accrued that would be payable upon the distribution of those amounts to the Company as at December 31, 2024. As at December 31, 2024 and 2023, the Company did not record any WHT on the retained earnings of its subsidiaries and structured entities in the PRC as they were still in accumulated deficit position.

11 INCOME TAX EXPENSES (CONTINUED)

(e) Withholding tax ("WHT") in Mainland China (Continued)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates:

	Year ended December 31,	
	2024	**2023**
	RMB'000	**RMB'000**
(Loss)/profit before income tax	**(534,126)**	1,105,908
Tax calculated at applicable tax rate of 25%	**133,532**	(276,477)
Tax effects of:		
– Effect of different tax rates in other jurisdictions	**(9,725)**	351,476
– Effect of preferential income tax rates of certain subsidiaries	**(31,030)**	(12,988)
– Tax losses and temporary deductible timing differences for which no deferred tax assets was recognized	**(109,413)**	(79,571)
– Expenses not deductible for income tax purposes	**(10,490)**	(7,835)
– Super deduction for research and development expenses	**27,126**	25,395
– WHT of royalty fee (Note)	**(584)**	–
Income tax expenses	**(584)**	–

Note: The Group's subsidiary outside of PRC recognized WHT for royalty fee income from the PRC entity.

(f) Deferred tax assets not recognized

The Group has not recognized any deferred tax assets in respect of the following items:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Tax losses and timing difference		
– Deductible temporary differences	**842,164**	716,061
– Deductible cumulative tax losses (Note)	**2,904,849**	2,445,955
	3,747,013	3,162,016

Note: At the end of the reporting period, the Group has unused tax losses of RMB2,904,849,000 (2023: RMB2,445,955,000) available for offset against future profits. No deferred tax asset has been recognized in respect of these losses, which are subject to the agreement with tax authorities, due to the unpredictability of future profit streams. Included in unrecognized tax losses are losses of RMB2,786,122,000 (2023: RMB2,438,091,000) that will expire in 5-10 years from the year of assessment they related to. Other tax losses may be carried forward indefinitely.

12 (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of self-branded fitness products sold	**623,345**	663,838
Cost of online sports events	**174,661**	190,443
Share-based compensation expenses – non-employee	**165**	(30)
Depreciation of right-of-use assets (Note 16)	**27,999**	38,107
Depreciation of property and equipment (Note 15)	**10,541**	13,838
Amortization of intangible assets (Note 17)	**3,576**	4,422
Credit loss allowances on accounts receivable (Note 21)	**10,576**	22,522
Credit loss allowances on other receivables	**255**	–
Provision for impairment of inventories (Note 23)	**7,092**	3,930
Provision for impairment of intangible assets (Note 17)	**1,169**	–
Listing expenses	**–**	31,077
Auditor's remuneration	**4,159**	7,431
– Audit fee	**3,083**	7,360
– Non-audit fee	**1,076**	71

13 SUBSIDIARIES

The Company's subsidiaries (including controlled and structured entities) as at December 31, 2024 and 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly or indirectly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name	Place of incorporation/ establishment and operation and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/registered capital	Effective interest held by the owner As at December 31, 2024	2023	Principal activities	Note
Subsidiaries							
Directly held:							
Calorie Technology HK Company Limited ("卡路里科技香港有限公司")	Hong Kong, limited liability company	May 7, 2015	HKD1	**100%**	100%	Investment holding and investment	
Keep Sports PTE. Ltd.	Singapore, limited liability company	August 25, 2021	SGD50,000	**100%**	100%	Sales of self-branded fitness products	
Keep Technology PTE. Ltd.	Singapore, limited liability company	August 25, 2021	SGD50,000	**100%**	100%	Provision of online membership and paid content services	

13 SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ establishment and operation and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/registered capital	Effective interest held by the owner As at December 31, 2024	2023	Principal activities	Note
Indirectly held:							
Keep Sports HK Limited	Hong Kong, limited liability company	June 21, 2024	HKD100,000	**100%**	N/a	Sales of self-branded fitness products	
Beijing Calorie Information Technology Co., Ltd. ("北京卡路里信息技術有限公司")	Beijing, China, limited liability company	July 7, 2015	USD400,000,000	**100%**	100%	Development of software	b, c
Shanghai Leranka Information Technology Co., Ltd. ("上海樂燃卡信息技術有限公司")	Shanghai, China, limited liability company	May 27, 2021	RMB8,000,000	**100%**	100%	Investment	b, c
Beijing Calorie Blue Technology Co., Ltd. ("北京卡路里藍科技有限公司")	Beijing, China, limited liability company	August 25, 2021	RMB2,000,000	**100%**	100%	Provision of other services	c
Beijing Calorie Blue Sports Management Co., Ltd. ("北京卡路里藍體育管理有限公司")	Beijing, China, limited liability company	September 7, 2021	RMB1,000,000	**100%**	100%	Provision of other services	c
Guangzhou Calorie Blue Sports Management Co., Ltd. ("廣州卡路里藍體育管理有限公司")	Guangzhou, China, limited liability company	August 18, 2022	RMB1,000,000	**100%**	100%	Provision of other services	c
Hainan Calorie Red Technology Co., Ltd. ("海南卡路里紅科技有限公司")	Hainan, China, limited liability company	October 27, 2021	RMB2,000,000	**100%**	100%	Production of online contents	c
Hangzhou Calorie Sports Co., Ltd. ("杭州卡路里體育有限公司")	Hangzhou, China, limited liability company	November 5, 2021	RMB10,000,000	**100%**	100%	Sales of self-branded fitness products	c
Shanghai Calorie Mall Sports Management Co., Ltd. ("上海卡路里貓體育管理有限公司")	Shanghai, China, limited liability company	August 20, 2024	RMB500,000	**100%**	N/a	Sales of self-branded fitness products	c
Fuqing Calorie Sports Co., Ltd. ("福清卡路里體育有限公司")	Fujian, China, limited liability company	November 20, 2024	RMB1,000,000	**100%**	N/a	Sales of self-branded fitness products	c
Shenzhen Calorie Sports Technology Co., Ltd. ("深圳卡路里體育技術有限公司")	Shenzhen, China, limited liability company	November 18, 2021	RMB10,000,000	**100%**	100%	Development of self-branded fitness products	c
Hangzhou Calorie Purple Technology Co., Ltd. ("杭州卡路里紫科技有限公司")	Hangzhou, China, limited liability company	November 5, 2021	RMB2,000,000	**100%**	100%	Provision of advertising services	c
Beijing Calorie Orange Management Consulting Co., Ltd. ("北京卡路里橙管理諮詢有限公司")	Beijing, China, limited liability company	December 5, 2022	RMB500,000	**100%**	100%	Investment	c

13 SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ establishment and operation and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/registered capital	Effective interest held by the owner As at December 31, 2024	2023	Principal activities	Note
Structured entities:							
Beijing Calorie Technology Co., Ltd. (“北京卡路里科技有限公司”)	Beijing, China, limited liability company	September 26, 2014	RMB2,480,000	**100%**	100%	Provision of online membership and paid content services	a, c
Shenzhen Calorie Technology Co., Ltd. (“深圳卡路里科技有限公司”)	Shenzhen, China, limited liability company	August 29, 2017	RMB10,000,000	**100%**	100%	Inactive	a, c
Beijing Calorie Sports Co., Ltd. (“北京卡路里體育有限公司”)	Beijing, China, limited liability company	November 7, 2017	RMB1,000,000	**100%**	100%	Inactive	a, c
Shanghai Calorie Sports Co., Ltd. (“上海卡路里體育有限公司”)	Shanghai, China, limited liability company	November 28, 2018	RMB1,000,000	**100%**	100%	Inactive	a, c
Calorie Sports Management (Beijing) Co., Ltd. (“卡路里體育管理(北京)有限公司”)	Beijing, China, limited liability company	June 29, 2018	RMB1,000,000	**100%**	100%	Inactive	a, c

Note a: As described in Note 2.2.1, the Company does not have direct or indirect legal ownership in equity of these structured entities or their subsidiaries. Nevertheless, under certain Contractual Arrangements entered into with these structured entities and their registered owners, the Company and its other legally owned subsidiaries have rights to exercise power over these structured entities, receive variable returns from its involvement in these structured entities, and have the ability to affect those returns through its power over these structured entities. As a result, they are presented as structured entities of the Company.

Note b: Registered as a WFOE under PRC law.

Note c: English translations of the name is for identification purposes only.

None of the subsidiaries (including structured entities) had issued debt securities at the end of the reporting period.

14 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share for the years ended December 31, 2024 and 2023 are calculated by dividing the (loss)/profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the year, adjusting exercise of share options and RSUs vested, excluding treasury shares held for Share Incentive Plans and ordinary shares repurchased from the market (2023: adjusting issuance of ordinary shares and conversion of redeemable preferred shares relating to the IPO and excluding treasury shares held for Share Incentive Plans).

	Year ended December 31,	
	2024	2023
Net (loss)/profit attributable to owners of the Company (RMB'000)	**(534,710)**	1,105,908
Weighted average number of ordinary shares in issue (thousand shares)	**466,598**	292,302
Basic (loss)/earnings per share (expressed in RMB per share)	**(1.15)**	3.78

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As the Company incurred a loss for the year ended December 31, 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilution. Accordingly, the amount of diluted loss per share for the year ended December 31, 2024 was the same as basic loss per share.

	Year ended December 31, 2023
Net profit attributable to owners of the Company (RMB'000)	1,105,908
Weighted average number of ordinary shares in issue (thousand shares)	292,302
Adjustments for RSUs and share options (thousand shares)	23,667
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (thousand shares)	315,969
Diluted earnings per share (expressed in RMB per share)	3.50

15 PROPERTY AND EQUIPMENT

The detailed information of property and equipment for the years ended December 31, 2024 and 2023 is as below:

	Leasehold improvements RMB'000	Electronic equipment RMB'000	Office and fitness equipment RMB'000	Production equipment RMB'000	Assets under construction RMB'000	Total RMB'000
Cost						
At January 1, 2023	58,075	28,592	9,325	–	–	95,992
Additions	–	884	840	–	1,203	2,927
Disposals	(499)	(3,096)	(1,314)	–	–	(4,909)
Transfers	1,203	–	–	–	(1,203)	–
At December 31, 2023	**58,779**	**26,380**	**8,851**	**–**	**–**	**94,010**
Additions	**–**	**2,341**	**332**	**8,650**	**1,897**	**13,220**
Disposals	**(2,873)**	**(5,262)**	**(2,054)**	**–**	**–**	**(10,189)**
Transfers	**1,897**	**–**	**–**	**–**	**(1,897)**	**–**
At December 31, 2024	**57,803**	**23,459**	**7,129**	**8,650**	**–**	**97,041**
Accumulated depreciation						
At January 1, 2023	(45,210)	(16,154)	(4,025)	–	–	(65,389)
Charge for the year	(5,685)	(6,598)	(1,555)	–	–	(13,838)
Disposals	–	2,757	442	–	–	3,199
At December 31, 2023	**(50,895)**	**(19,995)**	**(5,138)**	**–**	**–**	**(76,028)**
Charge for the year	**(4,710)**	**(4,194)**	**(1,226)**	**(411)**	**–**	**(10,541)**
Disposals	**2,525**	**4,921**	**1,449**	**–**	**–**	**8,895**
At December 31, 2024	**(53,080)**	**(19,268)**	**(4,915)**	**(411)**	**–**	**(77,674)**
Net carrying amount						
At December 31, 2024	**4,723**	**4,191**	**2,214**	**8,239**	**–**	**19,367**
At December 31, 2023	7,884	6,385	3,713	–	–	17,982

15 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expenses were charged to the consolidated statement of profit or loss as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Research and development expenses	**3,997**	5,385
Selling and marketing expenses	**2,626**	2,736
Administrative expenses	**2,379**	2,936
Cost of revenues	**1,539**	2,781
Total	**10,541**	13,838

16 LEASES

(a) Items recognized in the consolidated statement of financial position

Right-of-use assets	**Office buildings RMB'000**	**Fitness centers RMB'000**	**Physical store RMB'000**	**Total RMB'000**
At January 1, 2023	83,726	6,933	–	90,659
Additions/modifications	7,347	2,357	–	9,704
Depreciation	(31,990)	(6,117)	–	(38,107)
At December 31, 2023	**59,083**	**3,173**	**–**	**62,256**
Additions/modifications	**(614)**	**(1,133)**	**2,147**	**400**
Depreciation	**(25,605)**	**(2,040)**	**(354)**	**(27,999)**
At December 31, 2024	**32,864**	**–**	**1,793**	**34,657**

16 LEASES (CONTINUED)

(a) Items recognized in the consolidated statement of financial position (Continued)

Lease liabilities	Minimum lease payments		Present value of minimum lease payments	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
Within one year	**18,388**	37,519	**17,641**	36,272
More than one year, but not exceeding two years	**13,525**	27,115	**13,409**	26,540
More than two years, but not more than five years	**4,169**	6,208	**4,053**	5,913
	36,082	70,842	**35,103**	68,725
Less: Future finance charges	**(979)**	(2,117)	**N/A**	N/A
Present value of lease obligations	**35,103**	68,725	**35,103**	68,725
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(17,641)**	(36,272)
Amount due for settlement after 12 months			**17,462**	32,453

The weighted average incremental borrowing rate applied to the lease liabilities was 2.8% and 3.5% per annum during the years ended December 31, 2024 and 2023, respectively.

16 LEASES (CONTINUED)

(b) Items recognized in the consolidated statement of profit or loss

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Depreciation of right-of-use assets		
– Office buildings	**25,605**	31,990
– Fitness centers	**2,040**	6,117
– Physical store	**354**	–
(Gains)/losses on lease modification	**(614)**	788
Losses on breach of lease contracts	**2,723**	–
Covid-19-related rent concessions from lessors	**–**	(285)
Interest expenses (included in finance expenses) (Note 10)	**1,553**	2,932
Expenses relating to short-term leases not included in lease liabilities (included in cost of revenues, selling and marketing expenses, administrative expenses and research and development expenses)	**1,998**	2,130
Total	**33,659**	43,672

The Group leased certain fitness centers and a physical store which contain variable lease payment terms that are based on certain percentages of monthly sales generated and minimum monthly lease payment terms whichever is higher. During the years ended December 31, 2024 and 2023, the Group only paid for the minimum monthly lease payments and no variable lease payment was paid.

(c) Items recognized in the consolidated statement of cash flows

The total cash outflows in financing activities for the years ended December 31, 2024 and 2023 are as below:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Principal elements of lease payments	**33,558**	45,105
Related interests paid	**1,553**	2,932
Total	**35,111**	48,037

17 INTANGIBLE ASSETS

The detailed information of intangible assets for the years ended December 31, 2024 and 2023 is as below:

	Domain name RMB'000	Software RMB'000	Total RMB'000
Cost			
At January 1, 2023	7,567	6,823	14,390
Additions	91	6,480	6,571
Currency translation differences	125	–	125
At December 31, 2023	**7,783**	**13,303**	**21,086**
Additions	**–**	**561**	**561**
Currency translation differences	**112**	**–**	**112**
At December 31, 2024	**7,895**	**13,864**	**21,759**
Accumulated amortization and impairment			
At January 1, 2023	(1,645)	(3,429)	(5,074)
Amortization for the year	(421)	(4,001)	(4,422)
Currency translation differences	(29)	–	(29)
At December 31, 2023	**(2,095)**	**(7,430)**	**(9,525)**
Amortization for the year	**(417)**	**(3,159)**	**(3,576)**
Impairment	**–**	**(1,169)**	**(1,169)**
Currency translation differences	**(34)**	**–**	**(34)**
At December 31, 2024	**(2,546)**	**(11,758)**	**(14,304)**
Net carrying amount			
At December 31, 2024	**5,349**	**2,106**	**7,455**
At December 31, 2023	5,688	5,873	11,561

17 INTANGIBLE ASSETS (CONTINUED)

Amortization expenses were charged to the consolidated statement of profit or loss as follow:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Research and development expenses	**1,604**	2,185
Administrative expenses	**1,771**	2,033
Selling and marketing expenses	**201**	204
Total	**3,576**	4,422

18 OTHER NON-CURRENT ASSETS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Long-term royalty licenses, naming rights and sponsorship fees and other long-term service fees (Note)	**42,863**	40,322
Deposits on lease	**10,829**	11,672
Prepayments for intangible assets	**472**	–
Total	**54,164**	51,994

Note: As at December 31, 2024, the balance of long-term royalty licenses, naming rights and sponsorship fees mainly included RMB21,435,000 (2023: RMB29,724,000) of naming rights and sponsorship fees and RMB19,050,000 (2023: RMB6,843,000) of royalty licenses, of which the contract periods are more than one year. These royalty licenses, naming rights and sponsorship will be fully utilized in 2 to 10 years (2023: 2 to 10 years).

Other non-current assets are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	**42,827**	45,685
USD	**11,337**	6,309
Total	**54,164**	51,994

19 FINANCIAL INSTRUMENTS BY CATEGORY

The detailed information of financial instruments by categories as at December 31, 2024 and 2023 is as below:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Financial assets		
Financial assets measured at FVPL:		
– Wealth management products	**408,954**	29,929
– Investment in a private fund	**24,055**	35,270
– Investments in unlisted entities	**54,224**	13,519
Financial assets measured at AC:		
– Accounts receivable	**205,191**	228,279
– Receivable from short-term rental and other deposits (included in prepayments and other current assets)	**4,254**	6,248
– Deposits on lease (included in other non-current assets)	**10,829**	11,672
– Short-term time deposits	**553**	88,960
– Restricted bank deposits	**700**	–
– Cash and cash equivalents	**764,260**	1,612,769
Total	**1,473,020**	2,026,646

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Financial liabilities		
Financial liabilities measured at AC:		
– Accounts payable	**149,240**	157,417
– Accrued expenses (excluding accrued payroll related expenses)	**130,830**	90,639
– Other current liabilities (excluding tax payables)	**20,733**	26,639
– Borrowings	**–**	10,009
– Other non-current liability	**5,639**	10,968
– Lease liabilities	**35,103**	68,725
Total	**341,545**	364,397

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

20 FINANCIAL ASSETS AT FVPL

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Current assets		
– Wealth management products (Note a)	**408,954**	29,929
– Investment in a private fund (Note a)	**24,055**	35,270
	433,009	65,199
Non-current assets		
– Investments in unlisted entities (Note b)	**54,224**	13,519
Total	**487,233**	78,718

Note a: Investments in wealth management products and a private fund were the investment products purchased from financial institutions. The returns on all of these products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at FVPL. The Group classified current and non-current assets based on the expiration date or lockup period of the products.

Note b: The Group acquired certain ordinary shares with preferential rights of several unlisted entities representing no more than 20% of the equity interest of each unlisted entity. The Group has the right to require and demand the above unlisted entities to redeem all of the shares held by the Group upon redemption events which are out of control of the issuers. The investments are measured as financial assets at FVPL. The Group has no plans to sell the investments in one year and classified those investments as non-current assets.

Movements in financial assets at FVPL are as below:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**78,718**	154,864
Additions	**876,018**	88,335
Disposals	**(477,236)**	(163,189)
Change in FVPL (Note 8)	**8,077**	57
Currency translation differences	**1,656**	(1,349)
At the end of the year	**487,233**	78,718

20 FINANCIAL ASSETS AT FVPL (CONTINUED)

Movements in financial assets at FVPL in level 3 are as below:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**48,789**	15,000
Additions	**40,700**	36,940
Disposal	**(15,502)**	–
Change in FVPL (#)	**3,788**	(2,700)
Currency translation differences	**504**	(451)
At the end of the year	**78,279**	48,789
(#) Change in FVPL for assets held at end of year	**2,412**	(2,700)

The change in FVPL including those for assets held at end of year are presented in "other gains, net" in the consolidated statement of profit or loss.

21 ACCOUNTS RECEIVABLE

The detailed information of accounts receivable is as below:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Accounts receivable	**237,178**	257,701
Less: credit loss allowances	**(31,987)**	(29,422)
Total	**205,191**	228,279

21 ACCOUNTS RECEIVABLE (CONTINUED)

The Group generally allows a credit period of three months to its customers. Aging analysis of accounts receivable based on recognition date is as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	**158,405**	152,530
3 to 6 months	**23,403**	35,947
6 to 9 months	**11,903**	9,149
9 months to 1 year	**2,172**	3,967
Over 1 year	**41,295**	56,108
Total	**237,178**	257,701

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of accounts receivable and the Group's exposure to credit risk can be found in Note 3.1(b).

Movements on the Group's allowance for credit loss of accounts receivable are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**(29,422)**	(6,900)
Provision of credit loss allowance	**(10,576)**	(22,522)
Receivables written off as uncollectable	**8,011**	–
At the end of the year	**(31,987)**	(29,422)

21 ACCOUNTS RECEIVABLE (CONTINUED)

Accounts receivable are denominated in the following currencies:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	**204,884**	228,279
USD	**307**	–
Total	**205,191**	228,279

22 PREPAYMENTS AND OTHER CURRENT ASSETS

The detailed information of prepayments and other current assets is as below:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Deductible VAT	**145,783**	106,701
Prepayments for promotion fees	**10,777**	10,731
Prepayments for products procurement	**10,520**	19,994
Royalty licenses	**8,067**	6,131
Deferred payment channel fees (Note)	**5,611**	7,312
Short-term rental and other deposits	**4,254**	6,248
Software license fees	**1,862**	1,898
Others	**8,612**	15,827
Total	**195,486**	174,842

Note: The Group amortized the deferred payment channel fees during the membership period which is usually up to one year.

22 PREPAYMENTS AND OTHER CURRENT ASSETS (CONTINUED)

The Group applies the IFRS 9 to measuring ECL for other receivables included in prepayments and other current assets. The amount of ECL for other receivables was RMB255,000 for the year ended December 31, 2024, which was written off as uncollectable. For detailed information about the methods, refer to Note 3.1(b).

Prepayments and other current assets are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	**190,447**	163,444
USD	**5,039**	11,398
Total	**195,486**	174,842

23 INVENTORIES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Raw materials	**–**	521
Components	**8,712**	7,645
Finished goods	**137,438**	119,580
	146,150	127,746
Less: provision for impairment (Note)	**(9,414)**	(6,366)
Total	**136,736**	121,380

Note: Provision for impairment was recognized for the amount by which the carrying amount of the inventories exceeds its net realizable value and was recorded in cost of revenues in the consolidated statement of profit or loss.

23 INVENTORIES (CONTINUED)

Provision for impairment movements for the years ended December 31, 2024 and 2023 are as below:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**(6,366)**	(14,237)
Provision for impairment	**(7,092)**	(3,930)
Written off of provision for impairment	**4,044**	11,801
At the end of the year	**(9,414)**	(6,366)

Inventories recognized as cost of revenues (excluding inventory impairment) during the years ended December 31, 2024 and 2023 amounted to RMB798,006,000 and RMB854,281,000, respectively.

24 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Cash at bank and in hand	**345,742**	1,528,558
Time deposits with initial maturity terms within three months	**409,666**	75,289
Cash held at third party payment platforms	**8,852**	8,922
Total	**764,260**	1,612,769

Cash and cash equivalents are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
USD	**447,208**	561,853
RMB	**307,031**	1,012,901
Hong Kong dollar ("HKD")	**8,956**	37,942
Singapore dollar ("SGD")	**1,065**	73
Total	**764,260**	1,612,769

24 CASH AND BANK BALANCES (CONTINUED)

(b) Short-term time deposits

Short-term time deposits are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
SGD	**553**	546
USD	**–**	72,208
RMB	**–**	16,206
Total	**553**	88,960

The short-term time deposits consist of RMB552,000 (2023: RMB86,871,000) in principal and RMB1,000 (2023: RMB2,089,000) in interest receivables as at December 31, 2024.

(c) Restricted bank deposits

The restricted bank deposits represent minimum requirement of the deposits placed in bank account. The restricted bank deposits amounting to RMB700,000 denominated in the RMB was deposited in the PRC.

As at December 31, 2024, cash and bank balances of the Group denominated in RMB amounting to RMB257,467,000 (2023: RMB1,012,750,000) were deposited in the PRC. The RMB is not freely convertible in the PRC into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposits rates. The bank balances, time deposits and short-term time deposits are deposited with creditworthy banks with no recent history of default.

Cash and cash equivalents, short-term time deposits and restricted bank deposits of the Group carry interest at market rates per annum as follows:

	As at December 31,	
	2024	2023
Cash and cash equivalents	**0.01% – 4.71 %**	0.05% – 5.99%
Short-term time deposits	**1.68%**	2.15% – 6.00%
Restricted bank deposits	**0.10%**	–

25 SHARE CAPITAL

Authorized	Number of ordinary shares ’000	Nominal value of ordinary shares USD’000
Ordinary share of USD0.00005 each		
As at January 1, 2023	684,165	34
Conversion of Preferred Shares to ordinary shares (Note)	315,835	16
As at December 31, 2023 and 2024	1,000,000	50

Issued	Number of ordinary shares ’000	Nominal value of ordinary shares USD’000	Equivalent nominal value of ordinary shares RMB’000
As at January 1, 2023	198,998	10	61
Issuance of ordinary shares relating to IPO (Note)	10,839	1	4
Conversion of Preferred Shares to ordinary shares (Note)	315,835	16	103
As at December 31, 2023 and 2024	525,672	27	168

Note:

In July 2023, the Company completed its IPO of 10,838,600 shares at HKD28.92 per share on the Main Board of the Stock Exchange.

The issuance of ordinary shares relating to the IPO, net of sponsor fees and other issuance costs amounting to RMB270.9 million, led to an increase in share capital and capital reserve by RMB4 thousand and RMB272.4 million, respectively.

Upon the Listing Date, the Preferred Shares were automatically converted into ordinary shares and were reclassified from liabilities to equity, which led to an increase of share capital and capital reserve by RMB103 thousand and RMB8,372.5 million, respectively. Key terms of the Preferred Shares have been set out in Note 34.

26 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

		As at December 31,	
		2024	2023
	Note	**RMB'000**	RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries	13	**4,617,336**	4,541,802
Intangible assets		**5,172**	5,471
		4,622,508	4,547,273
Current assets			
Prepayments and other current assets		**1,941**	–
Financial assets at FVPL		**129,762**	29,929
Short-term time deposits		**–**	72,208
Cash and cash equivalents		**497,247**	409,493
		628,950	511,630
Total assets		**5,251,458**	5,058,903
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**168**	168
Other reserves	26(b)	**8,468,196**	8,391,469
Accumulated losses		**(3,356,227)**	(3,345,688)
Total equity		**5,112,137**	5,045,949

26 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(a) Statement of financial position of the Company (Continued)

		As at December 31,	
		2024	2023
	Note	**RMB'000**	RMB'000
LIABILITIES			
Current liabilities			
Accrued expenses		**7,454**	9,453
Other current liabilities		**131,867**	3,501
		139,321	12,954
Total liabilities		**139,321**	12,954
Total equity and liabilities		**5,251,458**	5,058,903

Approved by the Board of Directors on March 28, 2025 and were signed on its behalf by:

Mr. Wang Ning
Director

Mr. Peng Wei
Director

26 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company

	Treasury stock RMB'000	Capital reserve RMB'000	Share-based compensation (Note 29) RMB'000	Currency translation differences RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2023	(19)	2,923	300,225	(208,504)	(46,102)	48,523
Issuance of ordinary shares from the IPO	–	272,436	–	–	–	272,436
Conversion of Preferred Shares to ordinary shares	–	8,372,484	–	–	–	8,372,484
Share-based compensation	–	–	30,935	–	–	30,935
Currency translation differences	–	–	–	(194,902)	–	(194,902)
Fair value change on Preferred Shares due to own credit risk	–	–	–	–	(138,007)	(138,007)
As at December 31, 2023	**(19)**	**8,647,843**	**331,160**	**(403,406)**	**(184,109)**	**8,391,469**
Share-based compensation	**–**	**–**	**65,104**	**–**	**–**	**65,104**
Exercise of share options and vesting of RSUs	**2**	**19,901**	**(10,049)**	**–**	**–**	**9,854**
Repurchase of shares, including related expenses	**(67,973)**	**–**	**–**	**–**	**–**	**(67,973)**
Currency translation differences	**–**	**–**	**–**	**69,742**	**–**	**69,742**
As at December 31, 2024	**(67,990)**	**8,667,744**	**386,215**	**(333,664)**	**(184,109)**	**8,468,196**

27 OTHER RESERVES

The following table shows a breakdown of the consolidated statement of financial position line item "other reserves" and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Treasury stock (Note a) RMB'000	Capital reserve (Note b) RMB'000	Share-based compensation (Note 29) RMB'000	Currency translation differences (Note c) RMB'000	Others (Note d) RMB'000	Total RMB'000
As at January 1, 2023	(19)	29,584	300,225	(373,521)	(46,102)	(89,833)
Issuance of ordinary shares from the IPO	–	272,436	–	–	–	272,436
Conversion of Preferred Shares to ordinary shares	–	8,372,484	–	–	–	8,372,484
Share-based compensation	–	–	30,935	–	–	30,935
Currency translation differences	–	–	–	(260,551)	–	(260,551)
Fair value change on Preferred Shares due to own credit risk	–	–	–	–	(138,007)	(138,007)
As at December 31, 2023	**(19)**	**8,674,504**	**331,160**	**(634,072)**	**(184,109)**	**8,187,464**
Share-based compensation	**–**	**–**	**65,104**	**–**	**–**	**65,104**
Exercise of share options and vesting of RSUs	**2**	**19,901**	**(10,049)**	**–**	**–**	**9,854**
Repurchase of shares, including related expenses	**(67,973)**	**–**	**–**	**–**	**–**	**(67,973)**
Currency translation differences	**–**	**–**	**–**	**10,378**	**–**	**10,378**
As at December 31, 2024	**(67,990)**	**8,694,405**	**386,215**	**(623,694)**	**(184,109)**	**8,204,827**

27 OTHER RESERVES (CONTINUED)

Note a: Treasury stock

	Number of shares	Amount RMB'000
As at January 1, 2023 and December 31, 2023	**60,635,300**	**19**
Exercise of share options and vesting of RSUs	**(7,380,028)**	**(2)**
Repurchase of shares, including related expenses	**11,538,500**	**67,973**
As at December 31, 2024	**64,729,772**	**67,990**

In June 2021, the Company issued and allotted 14,440,000 ordinary shares to Calorie Fortune Limited controlled by the Company and 990,000 ordinary shares to Bulldog Group Limited controlled by one founder at the par value of USD0.00005 each. With respect to the 14,440,000 ordinary shares issued to Calorie Fortune Limited, the Company has the power to direct the grant of awards associated with these shares, has exposure or rights to variable returns from its involvement with the award scheme, and has the ability to use its power over the award scheme to affect the amount of the Company's return.

On March 31, 2022, the Company issued 45,205,300 ordinary shares to Calorie Partner Limited, which are reserved for satisfying awards granted or to be granted to participants of the Company's employee share award scheme who are not close associates of the Company. Calorie Partner Limited is a trust company that is wholly-owned by a trust in which the Company is the settlor, Futu Trustee Limited acts as the trustee, and the beneficiaries are participants of the Company's share option plans who are not close associates of the Company. As trustee, Futu Trustee Limited exercises the voting and other rights attached to the shares as instructed by an advisory committee established by the Company.

During the year ended December 31, 2024, 7,265,778 share options were exercised and 114,250 RSUs were vested by the participants of the share option plans.

During the year ended December 31, 2024, the Company repurchased a total of 11,538,500 shares on the Stock Exchange at the aggregate consideration of HKD74,306,000 before expenses. The total repurchase payment was equivalent to RMB67,973,000, including related expenses.

Note b: Capital reserve

Capital reserve mainly represents the share premium of the Company. Under the Companies Law of the Cayman Islands, where a company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on their shares shall be transferred to share premium account. The application of the share premium account is governed by the Companies Law of the Cayman Islands. Share premium of the Company is distributable to shareholders subject to the provisions of the Company's Memorandum and Articles of Association and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business.

Note c: Currency translation differences

Currency translation differences represent the difference arising from the translation of the financial statements of companies within the Group that have a functional currency different from the reporting currency of RMB for the financial statements of the Group.

Note d: Others

Others represent the accumulated effect of the component of fair value changes of Preferred Shares relating to the Company's own credit risk was recognized in the OCI.

28 DIVIDENDS

No dividends have been paid or declared by the Company during the years ended December 31, 2024 and 2023.

29 SHARE-BASED COMPENSATION

In January 2016, the board of the directors of the Company approved the establishment of 2016 Employees' share option plan (the "2016 ESOP") with the purpose of providing incentives and rewards to its management, employees and non-employees. The maximum number of ordinary shares available for issuance pursuant to the 2016 ESOP shall be 35,536,640 ordinary shares (after share split).

In March 2021, the Company approved the establishment of a 2021 Employees' share option plan (the "2021 ESOP") with the purpose of providing incentives and rewards to its management, employees and non-employees. The maximum number of ordinary shares available for issuance pursuant to the 2021 ESOP shall be 25,108,660 ordinary shares (after share split).

On June 12, 2023, the board of the directors of the Company approved the Post-IPO Share Incentive Plan (the "2023 Plan"), which was effective upon the Listing Date. Under the Scheme Mandate Limit of the 2023 Plan, the maximum number of ordinary shares available for grant under the 2023 Plan is 52,567,199. Shares issued and underlying ungranted awards under the Pre-IPO Share Incentive Plans (the 2016 ESOP and the 2021 ESOP) will be used to fund share options and share awards granted under the 2023 Plan and will be counted towards the total scheme limit of the 2023 Plan.

(a) Share options

With respect to the service conditions, there are 8 types of vesting schedule, which are:

- Type (i) 25% of the total granted share options shall become vested on each anniversary of the vesting commencement date for 4 years thereafter;

- Type (ii) 50% of the share options shall become vested on the second anniversary of the vesting commencement date and 25% of the total granted share options are vested on the third and fourth anniversary of the vesting commencement date;

- Type (iii) 50% of the total granted share options shall become vested on each anniversary of the vesting commencement date for 2 years thereafter;

- Type (iv) 75% of the total granted share options shall become vested on the first anniversary of the vesting commencement date and 25% of the total granted share options shall become vested on the second anniversary of the vesting commencement date;

- Type (v) 33% of the total granted share options shall become vested on each anniversary of the vesting commencement date for 3 years thereafter;

- Type (vi) 100% of the total granted share options shall become vested on the vesting commencement date;

- Type (vii) 100% of the total granted share options shall become vested on the third anniversary of the vesting commencement date; and

29 SHARE-BASED COMPENSATION (CONTINUED)

(a) Share options (Continued)

- Type (viii) 100% of the total granted share options shall become vested on the first anniversary of the vesting commencement date.

Certain types of share options are exercisable at any time after the qualified initial public offering ("QIPO"), provided these types of options have vested. The QIPO means a fully underwritten initial public offering by the Company acceptable to the board of directors, with a minimum pre-offering Company valuation and aggregate IPO proceeds to the Company agreed among the shareholders pursuant to the Company's memorandum of association. The options are exercisable for a maximum period of 10 years after the date of grant.

Certain share options are subject to the vesting conditions that require the achievement of certain performance targets. The influence of performance targets on the exercisability of the share options is insignificant.

Movements in the number of share options granted and their related weighted average exercise prices (taking into account the effect of share split as described above) are as follows (all share options are presented as after share split):

	Number of share options	Weighted average exercise price per share option (USD)
Outstanding as at January 1, 2024	**37,596,075**	**1.21**
Forfeited/cancelled during the year	**(3,103,045)**	**2.24**
Exercised during the year	**(7,265,778)**	**0.19**
Outstanding as at December 31, 2024	**27,227,252**	**1.42**
Exercisable as at December 31, 2024	**25,954,752**	**1.31**
Outstanding as at January 1, 2023	40,154,825	1.29
Granted during the year	290,000	2.96
Forfeited during the year	(2,848,750)	2.58
Outstanding as at December 31, 2023	37,596,075	1.21
Exercisable as at December 31, 2023	31,638,225	1.05

The weighted-average remaining contract life for outstanding share options was 4.70 years and 5.16 years as at December 31, 2024 and 2023, respectively.

The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of the underlying ordinary shares before IPO. Key assumptions, such as projections of future performance, are determined by the Group with best estimate.

29 SHARE-BASED COMPENSATION (CONTINUED)

(a) Share options (Continued)

Based on fair value of the underlying ordinary shares, the Group has used binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Year ended December 31, 2023
Fair value per share (USD)	3.69~3.87
Risk-free interest rates	3.39%
Dividend yield	0%
Expected volatility	55.20%
Expected terms	10 years

The weighted-average fair value of granted share options was USD2.17 per share for the year ended December 31, 2023.

(b) RSUs

During the year ended December 31, 2024, the Company granted a total of 22,994,600 (2023: 337,200) RSUs to grantees in accordance with the terms of the 2023 Plan, subject to acceptance by the grantees. For RSUs, the total amount to be expensed is determined by reference to the fair value of the Company's shares at the grant date.

The vesting schedules of the RSUs are:

- Type (i) 50% of the RSUs shall become vested on the second anniversary of the vesting commencement date and 25% of the total granted RSUs are vested on the third and fourth anniversary of the vesting commencement date;
- Type (ii) 100% of the RSUs shall become vested on the day after the first anniversary of the grant date;
- Type (iii) 40% of the RSUs shall become vested on the first anniversary of the vesting commencement date and 20% of the total granted RSUs are vested on the second, third and fourth anniversary of the vesting commencement date;
- Type (iv) 25% of the RSUs shall become vested on each anniversary of the grant date in four years; and
- Type (v) 50% of the RSUs shall become vested on the first anniversary of the grant date and 50% of the RSUs are vested on the March 1, 2026.

The vest of the RSUs is subject to the achievement of certain performance indicators and other requirements set out in the respective grant letter entered into between a Share Incentive Plan participant and the Company, including the Company's annual results and/or a participant's individual annual performance. The influence of performance targets for vest of the RSUs is insignificant.

29 SHARE-BASED COMPENSATION (CONTINUED)

(b) RSUs (Continued)

The movement of the number of RSUs granted and their weighted average grant date fair value are as below:

	Number of RSUs	Weighted average grant date fair value (HKD)
Unvested as at January 1, 2024	**288,500**	**29.30**
Granted during the year	**22,994,600**	**7.42**
Forfeited during the year	**(1,721,550)**	**8.71**
Vested during the year	**(114,250)**	**12.21**
Unvested as at December 31, 2024	**21,447,300**	**7.59**
Unvested as at January 1, 2023	–	–
Granted during the year	337,200	29.30
Forfeited during the year	(48,700)	29.30
Unvested as at December 31, 2023	288,500	29.30

The weighted-average remaining contract life for outstanding RSUs was 9.48 years and 9.79 years as at December 31, 2024 and 2023, respectively.

(c) Share-based compensation expenses

The share-based compensation expenses were charged to the consolidated statement of profit or loss for the years ended December 31, 2024 and 2023 as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Administrative expenses	**34,787**	22,233
Research and development expenses	**19,473**	3,224
Selling and marketing expenses	**10,702**	2,896
Fulfillment expenses	**1,364**	1,046
Cost of revenues	**(1,222)**	1,536
Total	**65,104**	30,935

29 SHARE-BASED COMPENSATION (CONTINUED)

(c) Share-based compensation expenses (Continued)

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Share-based compensation expenses		
– Related to RSUs	**33,956**	654
– Related to share options	**31,148**	30,281
Total	**65,104**	30,935

30 ACCOUNTS PAYABLE

Accounts payable and their aging analysis based on invoice date are as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	**149,240**	157,417

Accounts payable are unsecured and are generally paid within three months of invoice date.

The carrying amounts of accounts payable are considered to be the same as their fair values, due to their short-term nature.

Accounts payable are denominated in the following currencies:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	**145,691**	157,417
USD	**3,549**	–
Total	**149,240**	157,417

31 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The breakdown of accrued expenses and other current liabilities are as follows:

(a) Accrued expenses

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Accrued payroll related expenses	**115,322**	86,716
Accrued promotion fees	**77,416**	49,272
Accrued professional service fees and unpaid issuance cost	**23,122**	14,518
Accrued transportation fees	**18,504**	21,113
Accrued office facilities fees	**4,109**	3,160
Others	**7,679**	2,576
Total	**246,152**	177,355

Accrued expenses are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	**228,111**	167,906
USD	**18,041**	9,449
Total	**246,152**	177,355

(b) Other current liabilities

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Tax payables	**21,343**	31,199
Deposits	**6,340**	4,505
Payable to joint strategic partners	**1,637**	6,042
Others	**12,756**	16,092
Total	**42,076**	57,838

31 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES (CONTINUED)

(b) Other current liabilities (Continued)

Other current liabilities are denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
RMB	**41,820**	57,676
USD	**256**	162
Total	**42,076**	57,838

32 CONTRACT LIABILITIES

The breakdown of contract liabilities are as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Contract liabilities from online membership and paid content service	**66,129**	81,507
Contract liabilities from advertising and others service	**4,338**	6,757
Contract liabilities from self-branded fitness products sales	**1,323**	5,016
Total	**71,790**	93,280

The above-mentioned contract liabilities represented the advances for the purchase of self-branded fitness products and advanced cash receipt for services including online membership and paid content customers and advertising and others. Revenue recognized from the contract liabilities balance as at January 1, 2024 and 2023 in each year of 2024 and 2023 was RMB93,280,000 and RMB84,104,000, respectively.

All the contract liabilities are expected to be recognized as revenue within one year.

33 BORROWINGS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Bank borrowings – unsecured	**–**	10,009

The term of bank borrowings as of December 31, 2023 are within one year. The weighted average interest rate for the outstanding borrowings, as at December 31, 2023 was 2.9%. All the bank borrowings are arranged at fixed interest rates and expose the Group to fair value interest rate risk.

33 BORROWINGS (CONTINUED)

As at December 31, 2023, the unsecured bank borrowing of RMB10,009,000 was guaranteed by a subsidiary.

The carrying amount of the Group's borrowings are denominated in RMB.

The directors estimate that the carrying amount of the Group's borrowings are not materially different from their fair value as at December 31, 2023.

34 CONVERTIBLE REDEEMABLE PREFERRED SHARES

Since the date of incorporation, the Company has completed several rounds of financing by issuing Preferred Shares to investors, namely, series A Preferred Shares, series B Preferred Shares, series C Preferred Shares, series C-1 Preferred Shares, series D Preferred Shares, series E Preferred Shares, series F Preferred Shares and series F-1 Preferred Shares.

The details of the issuance and repurchase are set out in the table below (after taking into consideration of share split and share repurchase):

	Date of Issuance/ Repurchase	Purchase/ (Repurchase) Price (USD/Share)	Number of Shares	Total consideration	
				USD'000	RMB'000
Series A Preferred Shares	June 8, 2015	USD0.13	40,000,000	5,000	30,603
Series B Preferred Shares	September 21, 2015	USD0.28	35,293,880	9,988	63,532
Series C Preferred Shares	April 20, 2016	USD0.62	51,926,960	31,987	206,569
Series C-1 Preferred Shares	June 29, 2016	USD0.70	14,946,080	10,522	69,786
Series D Preferred Shares	July 5, 2018	USD2.06	39,873,000	82,019	542,800
Series E Preferred Shares	December 13, 2019 and April 14, 2020	USD2.42	34,497,140	83,345	583,374
Series E Preferred Shares – repurchase	March 4, 2021	(USD4.10)	(827,760)	(3,392)	(21,967)
Series F Preferred Shares	December 11, 2020	USD4.10	86,628,120	355,002	2,321,891
Series F-1 Preferred Shares	December 3, 2021	USD5.19	13,497,767	70,000	446,166
			315,835,187	644,471	4,242,754

34 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The key terms of the Preferred Shares pursuant to the Company's memorandum of association at December 3, 2021 are summarized as follows:

(a) Dividends rights

Holders of Preferred Shares of later series have preference to receive any declaration or payment of any cash or non-cash dividends in the following sequence: series F-1 Preferred Shares, series F Preferred Shares, series E Preferred Shares, series D Preferred Shares, series C-1 Preferred Shares, series C Preferred Shares, series B Preferred Shares, series A Preferred Shares and ordinary shares, cumulative dividends at a simple rate of ten percent (10%) per annum of the original issue price of such Preferred Shares on each such Preferred Share held by such holder, payable when, as and if declared by the board.

(b) Conversion feature

All of the Preferred Shares are convertible, at the option of the holders at any time after the original issue date of the relevant series of Preferred Shares into such number of fully paid ordinary shares. The Series A, B, C, C-1, F and F-1 Preferred Shares shall automatically be converted into ordinary shares at the then effective conversion price upon the closing of a QIPO or upon the written consent of the holders of two-thirds (Series C & C-1 voting together as a single class and to the exclusion of other classes and series of Shares; Series F & F-1 voting together as a single class and to the exclusion of other classes and series of Shares). The Series D and E Preferred Shares shall automatically be converted into ordinary shares at the then effective conversion price upon the closing of a QIPO or upon the written consent of the holders of 51%.

The conversion ratio for each Preferred Share shall be determined by dividing the issue price by the then conversion price, in effect at the time of the conversion. The initial conversion price of each series of Preferred Share shall be its respective subscription price and shall be subject to adjustment in the event of the issuance of additional ordinary shares at a per share price less than the conversion price.

(c) Redemption feature

Upon the occurrence of any redemption event as described below, the Company shall, at the written request of any holder of the Preferred Shares, redeem all or any of the issued and outstanding Preferred Shares held and as elected by such holder of the Preferred Shares.

"Redemption Event" means the occurrence of any of the followings events: (i) If the Company has not consummated a qualified public offering at the 5th anniversary of the issuance date of series F-1 Preferred Shares; or (ii) The occurrence of any material breach or violation by the Company or any holder of the ordinary shares; or (iii) The occurrence of a change in the regulatory environment pursuant to which the Company can no longer conduct their respective businesses under the control documents and the existing variable interest entity structure.

The series A Preferred Shares' redemption price shall be equal to the issue price compounded with an interest rate of 10% per annum plus all declared but unpaid dividends thereon up to the date of redemption. The series B, C and C-1 Preferred Shares' redemption price shall be equal to 130%, 150% and 150% of the respective Preferred Shares' issue price plus all declared but unpaid dividends thereon up to the date of redemption. The series D, E, F and F-1 Preferred Shares' redemption price shall be equal to the issue price compounded with an interest rate of 8% per annum plus all declared but unpaid dividends thereon up to the date of redemption.

34 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

(d) Liquidation preferences

Upon the occurrence of any liquidation event, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution shall be distributed to the shareholders in the following order and manner:

Holders of Preferred Shares of later series have preference to the distribution of assets or funds over holders of Preferred Shares of earlier series and holders of ordinary shares, in the following sequence: series F-1 Preferred Shares, series F Preferred Shares, series E Preferred Shares, series D Preferred Shares, series C-1 Preferred Shares, series C Preferred Shares, series B Preferred Shares, series A Preferred Shares and ordinary shares. The amount of liquidation will be equal to 120% of the issuance price plus all accrued or declared but unpaid dividends.

Liquidation events include a liquidation, winding-up or dissolution of the Company, or a merger, acquisition or sale of voting control of the Company in which its shareholders do not retain a majority of the voting power in the surviving entity, a sale of all or substantially all of the Company's assets or the exclusive licensing of substantially all of the Company's intellectual property, including without limitation.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at FVPL with the changes in the fair value recorded in the consolidated statement of profit or loss.

In March 2021, the Company entered into share repurchase agreement with one selling shareholder in connection with the sale and repurchase of 827,760 issued and outstanding series E preferred shares (after share split) held by the selling shareholder at an aggregate repurchase price of RMB22 million, which was fully paid as at December 31, 2022. The difference between the fair value and repurchase consideration amount was recorded in fair value changes of Preferred Shares in the consolidated statement of profit or loss.

34 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

(d) Liquidation preferences (Continued)

The movements of the Preferred Shares are set out as below:

	RMB'000
At January 1, 2023	9,401,472
Change in fair value	(1,432,261)
Change in fair value due to own credit risk	138,007
Currency translation differences	265,369
Transfer to ordinary shares	(8,372,587)
At December 31, 2023	–

On July 12, 2023, the Company completed its IPO on the Main Board of the Stock Exchange. Upon listing, all the Preferred Shares were automatically converted into ordinary shares and were reclassified from liabilities to equity accordingly. The fair value of each of Preferred Shares is equal to the fair value of each of ordinary shares on the conversion date, which is the offer price in the Listing.

The Group applied the discount cash flow method to determine the underlying equity value of the Company and adopted equity allocation model to determine the fair value of the Preferred Shares.

Changes in fair value of Preferred Shares were recorded in fair value changes of Preferred Shares in the consolidated statement of profit or loss and OCI, and the fair value changes in the Preferred Shares that are attributable to changes of credit risk of this liability are recorded in OCI.

35 CASH FLOW INFORMATION

(a) Cash used in operations

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax	**(534,126)**	1,105,908
Adjustments for:		
Depreciation of property and equipment	**10,541**	13,838
Share-based compensation expenses	**65,104**	30,935
Amortization of intangible assets	**3,576**	4,422
Depreciation of right-of-use assets	**27,999**	38,107
Net fair value gains on financial assets at FVPL	**(8,077)**	(57)
Investment gains on other financial assets at AC	**(434)**	–
Foreign exchange losses/(gains) on short-term time deposits	**14**	(9)
Provision for impairment of inventories	**7,092**	3,930
Provision for impairment of intangible assets	**1,169**	–
Net losses on disposal of property and equipment	**1,051**	1,231
(Gains)/losses on lease modification	**(614)**	788
Credit loss allowances on accounts and other receivables	**10,831**	22,522
Fair value changes of Preferred Shares	**–**	(1,432,261)
Finance income, net	**(41,101)**	(49,232)
Covid-19-related rent concessions from lessors	**–**	(285)
Operating loss before working capital changes	**(456,975)**	(260,163)
Decrease in accounts receivable	**12,512**	875
Increase in prepayments and other current assets	**(20,721)**	(47,364)
(Increase)/decrease in inventories	**(22,448)**	42,427
(Increase)/decrease in other non-current assets	**(1,698)**	3,225
(Decrease)/increase in accounts payable	**(8,177)**	3,322
Increase/(decrease) in accrued expenses and other current liabilities	**52,297**	(70,232)
(Decrease)/increase in contract liabilities	**(21,490)**	9,176
Increase in restricted bank deposits	**(700)**	–
Cash used in operations	**(467,400)**	(318,734)

35 CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities generated from financing activities

	Liabilities from financing activities		
	Lease liabilities RMB'000	**Borrowings RMB'000**	**Total RMB'000**
Liabilities from financing activities as at January 1, 2024	**68,725**	**10,009**	**78,734**
Cash flows	**(35,111)**	**(10,073)**	**(45,184)**
Interest expenses	**1,553**	**64**	**1,617**
Leases adjustments, net of additions and modification	**(64)**	**–**	**(64)**
Liabilities from financing activities as at December 31, 2024	**35,103**	**–**	**35,103**

	Liabilities from financing activities			
	Preferred Shares RMB'000	Lease liabilities RMB'000	Borrowings RMB'000	Total RMB'000
Liabilities from financing activities as at January 1, 2023	9,401,472	103,623	74,524	9,579,619
Cash flows	–	(48,037)	(66,048)	(114,085)
Fair value changes of Preferred Shares	(1,432,261)	–	–	(1,432,261)
Interest expenses	–	2,932	1,533	4,465
Fair value change on Preferred Shares due to own credit risk	138,007	–	–	138,007
Conversion of Preferred Shares to ordinary shares	(8,372,587)	–	–	(8,372,587)
Currency translation differences	265,369	–	–	265,369
Covid-19-related rent concessions from lessors	–	(285)	–	(285)
Leases adjustments, net of additions and modification	–	10,492	–	10,492
Liabilities from financing activities as at December 31, 2023	–	68,725	10,009	78,734

36 COMMITMENTS

The Group did not have any material commitments as at December 31, 2024 and 2023.

37 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of key management and their close family members of the Group are also considered as related parties.

37 RELATED PARTY TRANSACTIONS (CONTINUED)

The following significant transactions were carried out between the Group and its related parties during the years ended December 31, 2024 and 2023. In the opinion of the Directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Key management personnel compensation

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and allowances	**7,811**	6,531
Discretionary bonuses	**1,644**	1,576
Share-based compensation expenses	**14,202**	16,737
Retirement benefit-defined contribution plans	**298**	264
Other social security costs, housing benefits and other employee benefits	**375**	357
Total	**24,330**	25,465

The key management personnel compensation is determined by the directors of the Company having regard to the performance of individual and marker trends.

(b) Balances with related parties

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Amounts due to key management personnel (included in accrued expenses)		
– Accrued wages, salaries and allowances	**511**	544
– Accrued discretionary bonuses	**1,644**	1,576
– Accrued retirement benefit-defined contribution plans	**30**	23
– Accrued other social security costs, housing benefits and other employee benefits	**32**	32
Total	**2,217**	2,175

The amounts due to key management personnel are unsecured, interest-free and settled in cash.

38 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after December 31, 2024.

Definitions

In this annual report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"2016 Plan"	the Amended and Restated 2016 Employee's Stock Option Plan adopted in June 2021
"2021 Plan"	the Amended and Restated 2021 Employee's Stock Option Plan adopted in June 2021
"2023 Plan" or "Post-IPO Share Incentive Plan"	the post-IPO share incentive plan adopted by our Company immediately before the Listing
"5Y Capital"	collectively, Morningside China TMT Fund IV, L.P., Morningside China TMT Fund IV Co-Investment, L.P., Morningside China TMT Special Opportunity Fund II, L.P., Evolution Special Opportunity Fund I, L.P., and Evolution Fund I Co-investment, L.P., each of which is one of the Pre-IPO Investors of our Company
"AGM"	the annual general meeting of the Company to be held on Wednesday, June 25, 2025
"Articles of Association"	the articles of association of our Company amended on June 19, 2024, as amended from time to time
"Audit Committee"	the audit committee of the Company
"Auditor"	RSM Hong Kong, the auditor of the Company
"Board" or "the Board of Directors"	the board of Directors
"Board Committee(s)"	the Audit Committee, the Remuneration Committee and the Nomination Committee
"Calorie Technology" or "Onshore Holdco"	Beijing Calorie Technology Co., Ltd. (北京卡路里科技有限公司), a limited liability company established under the laws of the People's Republic of China on September 26, 2014 and a Consolidated Affiliated Entity
"Company", "our Company", "the Company", "we", "us", "our", or "Keep"	Keep Inc., an exempted company with limited liability incorporated in the Cayman Islands on April 21, 2015, its subsidiaries and its Consolidated Affiliated Entities
"Consolidated Affiliated Entities"	Calorie Technology and its subsidiaries and affiliated entities
"Contractual Arrangement(s)"	the series of contractual arrangements entered into between, among others, the WFOE, the Onshore Holdco and the Registered Shareholders

"Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of our Company
"GGV Capital"	collectively, GGV Capital Select L.P., GGV Capital V L.P., GGV Capital V Entrepreneurs Fund L.P. and GGV VII Investments Pte. Ltd., each of which is one of the Pre-IPO Investors of our Company
"Global Offering"	the global offering of the Company
"Group", "our Group", "the Group", "we", "us", or "our"	the Company, its subsidiaries and the Consolidated Affiliated Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the contractual arrangements) from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries and Consolidated Affiliated Entities, such subsidiaries and Consolidated Affiliated Entities as if they were subsidiaries and Consolidated Affiliated Entities of our Company at the relevant time
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$", "HK dollars" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"JenCap"	collectively, JenCap Squad and JenCap Squad I L.P., each of which is one of the Pre-IPO Investors of our Company
"Latest Practicable Date"	April 15, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	the date, Wednesday, July 12, 2023, on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

Definitions

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"PRC"	the People's Republic of China
"Pre-IPO Investor(s)"	the pre-IPO investors of our Company
"Pre-IPO Share Incentive Plans"	collectively, the 2016 Plan and the 2021 Plan
"Prospectus"	the prospectus of the Company, dated June 30, 2023, in relation to its Global Offering
"Registered Shareholders"	the registered shareholders of the Onshore Holdco from time to time; the current registered shareholders are identified in "Contractual Arrangements"
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended December 31, 2024
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"SFO" or "Securities and Futures Ordinance"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	the shares in the share capital of our Company with a par value of US$0.00005 each, as the context so requires
"Shareholder(s)"	holder(s) of our Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"WFOE"	Beijing Calorie Information Technology Co., Ltd. (北京卡路里信息技術有限公司), a limited liability company established under the laws of the PRC on July 7, 2015 and a wholly-owned subsidiary of our Company
"%"	percentage

keep