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Fulu Holdings Limited

福祿控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2101)

PROFIT WARNING

This announcement is made by Fulu Holdings Limited (the “**Company**”, together with its subsidiaries and its consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2) (a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the current preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2022 (the “**Reporting Period**”), the Group is expected to record for the Reporting Period:

- (i) a decrease in revenue by no more than 10% as compared to the corresponding period in 2021;
- (ii) a decrease in profit for the period by approximately 45% to 65% as compared to the corresponding period in 2021; and
- (iii) a decrease in the adjusted profit attributable to owners of the parent for the period ^{Note 1} by approximately 35% to 45% as compared to the corresponding period in 2021.

Note:

- 1 The Group defines “adjusted profit attributable to owners of the parent for the period” as profit attributable to owners of the parent for the period, adding back listing expenses, foreign exchange gains and losses as well as share-based payment expenses. Adjusted profit attributable to owners of the parent for the period is not a measure required by or presented in accordance with International Financial Reporting Standards. Shareholders and potential investors should not consider it as a substitute for the results of operations or financial condition as reported under International Financial Reporting Standards.

Performance for the Reporting Period declined as compared to the corresponding period in 2021, primarily due to (i) a decrease in revenue from the telecommunications segment; (ii) an increase in marketing fees and labor costs; and (iii) an increase in share-based payment expenses.

As COVID-19 pandemic recurred repeatedly, which has significantly influenced domestic economy and weakened the consumption desire of individuals, the Group has focused on maintaining and expanding market share, strived to optimize the asset and liability structure and enhanced management of cash flow during the Reporting Period. The Board believes that the overall financial position of the Group continues to maintain healthy and sound with cash reserves remaining sufficient and is confident of the long-term development and prospects of the Group. It will also pay close attention to the business strategy and operating condition of the Group to cope with the impacts of changes in economic environment and strive to improve long-term business performance to reward the Shareholders.

As of the date of this announcement, the Company is still preparing the interim results for the Reporting Period. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited management accounts of the Group and other financial information currently available, which have not been audited or reviewed by the Company's auditors or the audit committee of the Company.

Shareholders and potential investors of the Company should refer to the interim results announcement of the Company for the Reporting Period, which is expected to be published in late August 2022, for details of the performance of the Group.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
Fulu Holdings Limited
Fu Xi
Chairman

Wuhan, Hubei Province, China
August 9, 2022

As of the date of this announcement, the Board comprises Mr. Fu Xi, Mr. Zhang Yuguo, Mr. Shui Yingyu, Mr. Zhao Bihao and Mr. Mao Feng as executive directors; and Mr. Li Wai Chung, Ms. Wang Yuyun and Mr. Wong Sincere as independent non-executive directors.