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**PACIFIC ONLINE LIMITED**

**太平洋網絡有限公司**

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

**(Stock Code: 543)**

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

The board of directors (the “Board”) of Pacific Online Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

## CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2024	2023
	Note	RMB'000	RMB'000
<b>Revenue</b>	3	635,039	740,114
Cost of revenue	4	<u>(367,732)</u>	<u>(477,415)</u>
<b>Gross profit</b>		267,307	262,699
Selling and marketing costs	4	(123,225)	(164,496)
Administrative expenses	4	(52,033)	(57,148)
Product development expenses	4	(36,666)	(62,366)
Net impairment losses on financial assets		(20,249)	(1,713)
Other income	5	12,193	14,385
Other (losses)/gains		<u>(2,154)</u>	<u>7,400</u>
<b>Operating profit/(loss)</b>		<u>45,173</u>	<u>(1,239)</u>
Finance income		4,072	6,587
Finance cost		<u>(234)</u>	<u>(1,584)</u>
Finance income — net	6	<u>3,838</u>	<u>5,003</u>
<b>Profit before income tax</b>		49,011	3,764
Income tax expense	7	<u>(5,276)</u>	<u>(35,711)</u>
<b>Profit/(Loss) for the year</b>		<u>43,735</u>	<u>(31,947)</u>
<b>Attributable to:</b>			
— Equity holders of the Company		43,735	(32,336)
— Non-controlling interests		<u>—</u>	<u>389</u>
		<u>43,735</u>	<u>(31,947)</u>
<b>Profit/(Loss) attributable to equity holders of the Company arises from</b>			
— Continuing operations		43,735	(32,336)
— Discontinued operations		<u>—</u>	<u>—</u>
		<u>43,735</u>	<u>(32,336)</u>
<b>Earnings/(Losses) per share for profit/(loss) attributable to equity holders of the Company for the year</b>			
— Basic and diluted (RMB)	8	<u>3.86 cents</u>	<u>(2.85) cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Profit/(Loss) for the year</b>	<b>43,735</b>	<b>(31,947)</b>
<b>Other comprehensive income</b>	<u>—</u>	<u>—</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>—</u>	<u>—</u>
<b>Total comprehensive income/(loss) for the year</b>	<b><u>43,735</u></b>	<b><u>(31,947)</u></b>
<b>Attributable to:</b>		
— Equity holders of the Company	43,735	(32,336)
— Non-controlling interests	<u>—</u>	<u>389</u>
	<b><u>43,735</u></b>	<b><u>(31,947)</u></b>
<b>Attributable to equity holders of the Company arises from</b>		
— Continuing operations	43,735	(32,336)
— Discontinued operations	<u>—</u>	<u>—</u>
	<b><u>43,735</u></b>	<b><u>(32,336)</u></b>

## CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets		9,875	10,611
Property and equipment		160,553	167,654
Investment properties		52,552	54,412
Intangible assets		9,004	8,121
Deferred income tax assets		30,398	33,914
Investment in financial assets	11	25,594	31,106
		<u>287,976</u>	<u>305,818</u>
<b>Current assets</b>			
Trade and note receivables, other receivables and prepayments	10	430,833	468,505
Cash and cash equivalents		263,488	271,819
		<u>694,321</u>	<u>740,324</u>
<b>Total assets</b>		<u><u>982,297</u></u>	<u><u>1,046,142</u></u>
<b>EQUITY</b>			
Ordinary shares		10,504	10,504
Reserves		685,328	687,252
		<u>695,832</u>	<u>697,756</u>
<b>Equity attributable to equity holders of the Company</b>		<u>695,832</u>	<u>697,756</u>
<b>Non-controlling interests</b>		<u>—</u>	<u>5,023</u>
<b>Total equity</b>		<u><u>695,832</u></u>	<u><u>702,779</u></u>

		<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<u>52</u>	<u>271</u>
<b>Current liabilities</b>			
Accruals and other payables	12	250,258	302,688
Contract liabilities		9,001	12,110
Current income tax liabilities		26,791	27,643
Lease liabilities		<u>363</u>	<u>651</u>
		<u>286,413</u>	<u>343,092</u>
<b>Total liabilities</b>		<u>286,465</u>	<u>343,363</u>
<b>Total equity and liabilities</b>		<u>982,297</u>	<u>1,046,142</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to equity holders of the Company			Non- controlling interests	Total equity
		Ordinary shares	Reserves	Subtotal		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at 1 January 2023</b>		10,504	831,680	842,184	4,634	846,818
<b>Comprehensive loss</b>						
(Loss)/profit for the year		—	(32,336)	(32,336)	389	(31,947)
<b>Total comprehensive loss</b>		—	(32,336)	(32,336)	389	(31,947)
<b>Transactions with shareholders</b>						
Cash dividends relating to 2022	9	—	(113,231)	(113,231)	—	(113,231)
Share Award Scheme						
— value of employee services		—	1,226	1,226	—	1,226
— purchase of shares held for share award scheme		—	(87)	(87)	—	(87)
<b>Balance as at 31 December 2023</b>		<u>10,504</u>	<u>687,252</u>	<u>697,756</u>	<u>5,023</u>	<u>702,779</u>
<b>Comprehensive income</b>						
Profit for the year		—	43,735	43,735	—	43,735
<b>Total comprehensive income</b>		—	43,735	43,735	—	43,735
<b>Transactions with shareholders</b>						
Cash dividends relating to 2023	9	—	(45,414)	(45,414)	—	(45,414)
Share Award Scheme						
— value of employee services		—	1,182	1,182	—	1,182
— purchase of shares held for share award scheme		—	(1,462)	(1,462)	—	(1,462)
Dividends paid to non-controlling interest in a subsidiary		—	—	—	(2,046)	(2,046)
Disposal of a subsidiary		—	35	35	(2,977)	(2,942)
<b>Balance as at 31 December 2024</b>		<u>10,504</u>	<u>685,328</u>	<u>695,832</u>	<u>—</u>	<u>695,832</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December	
		2024	2023
	Note	RMB'000	RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		23,127	2,249
Income tax paid		(2,630)	(18,767)
Net cash generated from/(used in) operating activities		<u>20,497</u>	<u>(16,518)</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(1,873)	(2,948)
Disposals of property and equipment		716	790
Purchase of intangible assets		(1,404)	(608)
Net cash inflow from disposal of subsidiary, net of cash disposed of		1,371	—
Receipt from redemption of investment		18,265	—
Interest received		3,928	6,861
Net cash generated from investing activities		<u>21,003</u>	<u>4,095</u>
<b>Cash flows from financing activities</b>			
Cash dividends paid	9	(45,414)	(113,231)
Lease payments		(684)	(853)
Purchase of shares held for share award scheme		(1,462)	(87)
Dividends paid to non-controlling interest in a subsidiary		(2,046)	—
Net cash used in financing activities		<u>(49,606)</u>	<u>(114,171)</u>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		271,819	399,985
Exchange losses on cash and cash equivalents	6	(225)	(1,572)
<b>Cash and cash equivalents at end of year</b>		<u><u>263,488</u></u>	<u><u>271,819</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Pacific Online Limited (the “Company”) was incorporated on 27 August 2007 as an exempted company with limited liability under the Company Law, Cap.22, (Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of its registered office is Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of internet advertising services in the People’s Republic of China (the “PRC”).

The Company has its shares listed on The Stock Exchange of Hong Kong Limited since 18 December 2007.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

These consolidated financial statements have been approved for issue by the board of directors (the “Board”) of the Company on 31 March 2025.

### 2. BASIS OF PREPARATION

#### (i) Compliance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Companies Ordinance (Cap. 622)

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

#### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for Investment in financial assets, which is measured at fair value.



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

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to HKAS 1;
- Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause — Hong Kong Interpretation 5 (Revised);
- Lease Liability in a Sale and Leaseback — Amendments to HKAS 16; and
- Supplier Finance Arrangements — Amendments to HKAS 7 and HKFRS 7.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(iv) New standards, amendments to standards and interpretations not yet adopted**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

### 3. SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors who make strategic decisions.

The Group is principally engaged in the provision of advertising services for different commodities. The chief operating decision-makers review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these internal reports.

The chief operating decision-makers consider the advertising business from the perspective of the different internet portals which it operates. As all revenues of the Group are generated from customers in the PRC, they are not further evaluated on a geographic basis.

The chief operating decision-makers assess the performance of the operating segments based on revenues generated. The reportable operating segments are grouped into PCauto, PConline and others. The Company currently does not allocate cost of revenue, operating costs or assets to its segments, as its chief operating decision-makers do not use this information to allocate resources to or evaluate the performance of the operating segments. Therefore, the Company does not report a measure of profit or total assets for each reportable segment.

Revenues of other segments relate to those generated from other portals, including baby and home products and other services.

There were no inter-segment sales for the year ended 31 December 2024 (2023: same). The revenue from external parties reported to the chief operating decision-makers is measured in a manner consistent with that in the consolidated income statement.

	<b>PCauto</b> <i>RMB'000</i>	<b>PConline</b> <i>RMB'000</i>	<b>Others</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>For the year ended 31 December 2024</b>				
Timing of revenue recognition				
— Over time	446,457	63,382	18,531	528,370
— At a point in time	106,669	—	—	106,669
Revenue	<u>553,126</u>	<u>63,382</u>	<u>18,531</u>	<u>635,039</u>
<b>For the year ended 31 December 2023</b>				
Timing of revenue recognition				
— Over time	432,388	54,175	21,323	507,886
— At a point in time	213,993	13,624	4,611	232,228
Revenue	<u>646,381</u>	<u>67,799</u>	<u>25,934</u>	<u>740,114</u>

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	<b>Year ended 31 December</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	<b><u>12,110</u></b>	<u>48,756</u>

Though the Company is domiciled in the Cayman Islands, for the year ended 31 December 2024, all revenues of the Group were derived from external customers and they were all generated from the PRC (2023: same).

As at 31 December 2024, other than club membership included in the intangible assets and investment in financial assets, majority of other non-current assets of the Group were located in the PRC (31 December 2023: same).

For the year ended 31 December 2024, revenues of approximately RMB173,681,000 (2023: RMB105,495,000) are derived from a single external customer accounting for ten percent or more of the Group's revenues.

The Group does not disclose information about remaining unsatisfied performance obligations as permitted under the practical expedient in accordance with HKFRS 15 as their original expected duration is less than one year.

#### 4. EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing costs, administrative expenses and product development expenses are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses	189,134	244,327
Outsourcing production cost	221,650	271,355
Service commission to advertising agencies	50,358	78,548
Advertising expenses	42,354	71,370
Technology service fees	10,520	15,206
Depreciation and amortisation expenses		
— Depreciation of property and equipment	8,050	8,912
— Depreciation of investment properties	1,860	1,859
— Depreciation of right-of-use assets	943	1,078
— Amortisation of intangible assets	521	328
Travelling and entertainment expenses	10,194	12,066
Bandwidth and server custody fees	16,703	16,882
Other taxes and surcharge	11,345	11,657
Conference and office expenses	4,078	4,047
Auditors' remuneration		
— Audit services	3,108	3,670
— Non-audit services	448	438
Expenses related to short term leases	696	1,247
Professional fees	2,043	1,235
Other expenses	5,651	17,200
	<u>579,656</u>	<u>761,425</u>
Total cost of revenue, selling and marketing costs, administrative expenses and product development expenses		

Product development expenses are mainly included in employee benefit expenses and depreciation of property and equipment and amortisation of intangible assets. No product development expenses were capitalised for the year ended 31 December 2024 (2023: same).

#### 5. OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Rental income	6,086	7,132
Additional deduction of input value-added tax	3,596	2,836
Government grants (i)	2,418	4,417
Dividend income on investment in financial assets	93	—
	<u>12,193</u>	<u>14,385</u>

(i) There are no unfulfilled conditions or other contingencies relating to these grants.

## 6. FINANCE INCOME — NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Finance income		
— Interest income from bank deposits	<u>4,072</u>	<u>6,587</u>
	<u>4,072</u>	<u>6,587</u>
Finance cost		
— Interest expense on lease liabilities	(9)	(12)
— Net foreign exchange losses	<u>(225)</u>	<u>(1,572)</u>
	<u>(234)</u>	<u>(1,584)</u>
Finance income — net	<u><u>3,838</u></u>	<u><u>5,003</u></u>

## 7. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
PRC current tax	1,846	1,123
Deferred taxation	<u>3,430</u>	<u>34,588</u>
	<u><u>5,276</u></u>	<u><u>35,711</u></u>

The Company, which is a Cayman Islands corporation, is not subject to any profits tax. The subsidiaries of the Group incorporated in Hong Kong were not subject to Hong Kong profits tax as they had no assessable income arising in or derived from Hong Kong during the year ended 31 December 2024 (2023: same).

Current taxation primarily represented the provision for PRC Corporate Income Tax (“CIT”) for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant tax laws and regulations in the PRC.

Pursuant to the PRC Corporate Income Tax Law (“CIT Law”), the CIT rate for domestic enterprises and foreign invested enterprises is 25%. In addition, the CIT Law provides for, among others, a preferential tax rate of 15% for enterprises qualified as High and New Technology Enterprises (“HNTE”). GZP Computer, a PRC operating subsidiary of the Company, was successfully renewed as HNTE in 2023 and the applicable income tax rate is 15% for the three years from 2023 to 2025 (2023: 15%). Guangzhou Yurui Information Technology Co., Ltd. (廣州裕睿信息科技有限公司, “GZ Yurui”), a PRC operating subsidiary of the Company, was successfully renewed as HNTE in 2022 and the applicable income tax rate is 15% for the three years from 2022 to 2024. Guangzhou Fengwang Information Technology Co., Ltd. (廣州鋒網信息科技有限公司,

“GZ Fengwang”), a PRC operating subsidiary of the Company, was formally designated as HNTE in 2022 and the applicable income tax rate is 15% for the three years from 2022 to 2024. All the other PRC entities of the Group are subject to CIT at a rate of 25% in accordance with CIT Law.

Assuming that there is no change to the relevant laws and regulations, the directors consider three subsidiaries, including GZP Computer, GZ Yurui and GZ Fengwang, will be granted the preferential tax treatment through an application of renewal. Accordingly, tax rate of 15% has been applied when considering the deferred income tax of GZP Computer, GZ Yurui and GZ Fengwang.

According to CIT Law, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividends out of profits earned after 1 January 2008. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty agreements between the relevant authorities of the PRC and Hong Kong. Hence, the Group used 5% as its withholding tax rate for certain Hong Kong intermediate holding companies which are expected to fulfill the aforesaid conditions.

The tax on the Group’s profit before income tax differed from the theoretical amount that would arise using the statutory tax rate applicable to profit/(loss) of all the consolidated PRC entities as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
Profit before income tax expense	<u>49,011</u>	<u>3,764</u>
Tax calculated at the statutory tax rate of 25% (2023: 25%)	<b>12,253</b>	941
Tax effects of		
— Tax concessions available to certain PRC subsidiaries (a)	<b>(3,518)</b>	16,888
— Loss not subject to tax	<b>1,769</b>	1,404
— Expenses not deductible for tax purposes	<b>268</b>	339
— Utilisation of previously unrecognised tax losses	<b>(2,422)</b>	(3,732)
— Unrecognised tax losses	<b>84</b>	44,430
— Under provision of prior year	<b>23</b>	1,010
— Additional deduction on product development expenses	<b>(4,900)</b>	(9,790)
Withholding tax on the earnings to be remitted by PRC subsidiaries	<b>1,719</b>	—
The effect of changes in tax rates	<u>—</u>	<u>(15,779)</u>
Income tax expense	<u><b>5,276</b></u>	<u><b>35,711</b></u>

(a) It represented the preferential tax treatments relating to HNTE enjoyed by certain PRC subsidiaries of the Group.

## 8. EARNINGS/(LOSSES) PER SHARE

### (a) Basic earning/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year (excluding the ordinary shares purchased by the Group and held for the Share Award Scheme).

	Year ended 31 December	
	2024	2023
Profit/(losses) attributable to equity holders of the Company (RMB'000)	<u>43,735</u>	<u>(32,336)</u>
Weighted average number of ordinary shares for basic earnings/(losses) per share (thousand shares)	<u>1,133,741</u>	<u>1,133,666</u>
Basic earnings/(losses) per share (RMB)	<u><u>3.86 cents</u></u>	<u><u>(2.85) cents</u></u>

### (b) Diluted earnings/(losses) per share

Diluted earnings/(losses) per share adjusts the figures used in the determination of basic earnings/(losses) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Diluted earnings/(losses) per share equals to basic earnings/(losses) per share as there were no potential diluted shares outstanding for the year ended 31 December 2024 (2023: same).

## 9. DIVIDENDS

A final dividend in respect of the year ended 31 December 2023 of RMB4.00 cents per ordinary share (2022: RMB10.00 cents per ordinary share) was approved by the shareholders at the annual general meeting on 3 May 2024. Such final dividend for 2023 totalling RMB45,414,000 was paid in 2024 (2022: RMB113,231,000 was paid in 2023), which has already excluded the dividend related to the ordinary shares held for the share award scheme of RMB10,000 (2022: RMB329,000).

The directors recommended the payment of a final dividend of RMB4.5 cents per ordinary share in cash for the year ended 31 December 2024, totalling RMB51,102,000 based on the ordinary shares in issue as of 31 December 2024. Such final dividend is to be approved by the shareholders at the annual general meeting of the Company to be held on 6 May 2025. These consolidated financial statements do not reflect this dividend payable.

## 10. TRADE AND NOTE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables, net of impairment provision (a)	341,959	407,168
Other receivables, net of impairment provision (b)	7,742	28,103
Prepaid value-added tax	5,890	11,479
Prepayments to suppliers	1,331	2,042
Notes receivable, net of impairment provision	73,911	19,713
	<u>430,833</u>	<u>468,505</u>

As at 31 December 2024, trade and note receivables, other receivables and prepayments were all denominated in RMB (31 December 2023: same).

### (a) Trade receivables, net of impairment provision

Credit terms granted by the Group are generally within a period of three months to one year. The ageing analysis of the trade receivables (net of impairment provision of RMB109,778,000 (31 December 2023: RMB98,171,000)) based on recognition date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Current to 6 months	288,597	326,831
6 months to 1 year	47,534	69,437
1 year to 2 years	5,785	10,319
Above 2 years	43	581
	<u>341,959</u>	<u>407,168</u>

### (b) Other receivables, net of impairment provision

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Redemption receivables (Note 11(a))	—	16,894
Advance to employees	4,244	6,611
Rental receivables	268	268
Others	3,230	4,330
	<u>7,742</u>	<u>28,103</u>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.



## 11. INVESTMENT IN FINANCIAL ASSETS

In June 2014, the Group made an equity investment with an amount of USD5,000,000 in a private fund (the “Fund”) which invested in shares of companies principally engaged in internet-related industries and blockchain-related technologies, such as cryptocurrencies (“Cryptocurrencies Investments”). During the year ended 31 December 2023, the Group had redeemed all the Cryptocurrencies Investments and therefore had no Cryptocurrencies Investments as at 31 December 2023 and 31 December 2024.

The Group neither have control nor significant influence over the Fund. As at 31 December 2024, the Group held 15.72% (31 December 2023: 24.35%) interests of the Fund. As at 31 December 2024, the Group classified the investment in the Fund as financial assets at fair value through profit or loss (31 December 2023: same).

Management assessed the fair value of the Group’s investment in financial assets as at 31 December 2024 based on the net asset value of the Fund provided by the Fund’s administrator and calculated the portion attributable to the Group.

The net asset value of the Fund provided by the Fund’s administrator is based on the fair value of underlying investments held by the Fund, which are mainly referenced to the market information of recent transactions, such as recent fundraising transactions undertaken by the investees.

The Group’s portion of net asset value of the Fund was attributable to the following:

	<b>As at 31 December</b>	
	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
Equity Investments	<b><u>25,594</u></b>	<u>31,106</u>

During the year ended 31 December 2024 and 2023, movement on investment in financial assets is as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
At the beginning of the year	<b>31,106</b>	40,600
Changes in fair value:		
— Equity Investments and other investments	<b>(4,141)</b>	(741)
— Cryptocurrency Investments	<b>—</b>	8,141
Redemption (a)	<b><u>(1,371)</u></b>	<u>(16,894)</u>
At the end of the year	<b><u>25,594</u></b>	<u>31,106</u>

**(a) Redemption**

In accordance with an letter agreement dated 18 December 2023, the Group redeemed the entire amount of its Cryptocurrency Investments effective 31 December 2023. According to the letter agreement, total amount of the redemption receivables amounted USD 2,385,000 (equivalent to RMB16,894,000), which were all collected during the year ended 31 December 2024.

**12. ACCRUALS AND OTHER PAYABLES**

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Accrued expenses (a)	<b>181,534</b>	226,785
Salaries payable	<b>43,744</b>	51,238
Other tax payable	<b>17,492</b>	14,173
Other payables	<b>7,488</b>	10,492
	<hr/>	<hr/>
	<b>250,258</b>	302,688
	<hr/> <hr/>	<hr/> <hr/>

- (a) Accrued expenses of the Group mainly represented accruals of service commission fees payable to advertising agencies, outsourcing production costs and advertising expenses.

As at 31 December 2024, the fair value of accruals and other payables approximated their carrying amounts (31 December 2023: same).

**EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE COMPANY’S  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2024**

**Qualified Opinion**

***What we have audited***

The consolidated financial statements of Pacific Online Limited (the “Company”) and its subsidiaries (the “Group”), comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

***Our qualified opinion***

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

## **Basis for Qualified Opinion**

As explained in the consolidated financial statements, the Group invested in a private fund (the “Fund”) which was classified as investment in financial assets measured at fair value in the consolidated balance sheet. The Fund invested in shares of companies principally engaged in internet-related industries and blockchain-related technologies, such as cryptocurrencies (“Cryptocurrencies Investments”). We have previously qualified our auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2022 due to a limitation of scope as we were unable to obtain sufficient appropriate audit evidence on whether the existence and sole ownership of the Cryptocurrency Investments of the Fund as at 31 December 2022 and the changes in fair value of the Cryptocurrency Investments for the year ended 31 December 2022. During the year ended 31 December 2023, as further set out in the consolidated financial statements, the Group had redeemed all the Cryptocurrencies Investments and therefore had no Cryptocurrencies Investments as at 31 December 2023 and 31 December 2024. Our audit opinion on the consolidated financial statements for the year ended 31 December 2023 was qualified because of the limitation in scope on the opening balances of the Cryptocurrencies Investments as at 1 January 2023, which could have a consequential impact to the fair value change of the Group’s Cryptocurrency Investments for the year ended 31 December 2023.

Because of the possible effects of the fair value change of Cryptocurrencies Investments on the comparability of the current year’s figures and the corresponding figures for the year ended 31 December 2023 in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity, our audit opinion on the Group’s consolidated financial statements for the year ended 31 December 2024 is therefore qualified.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the whole of 2024, the Company's revenue was RMB635.0 million, a decrease of 14.2% from last year and the profit attributable to equity holders was RMB43.7 million. During the reporting period, the increase in profit, despite a reduction in revenue, was in part attributable to cost-reducing measures, including eliminating underperforming lines of business, and lower staffing costs compared to prior years. Competition throughout 2024 has been significant, but we are encouraged by the progress we have made in the past year and believe that we are well positioned for the coming year.

Throughout 2024, artificial intelligence pushed the boundaries of our society and opened up new creative horizons for everyone. The Company has been diligent in finding new avenues to integrate AI into both the Company and the products and services we provide. Within the Company, we have seen the potential for AI to integrate into daily workflows to reduce costs, enable faster turnaround times, and increase our content generation quality and volume. Our products and services are also integrating AI to assist our clients to drive their customer relationship management and social media engagement, providing customers quantitative insights and data driven solutions to reach end users. In the coming year we believe that we are well positioned to continue to use AI to further reduce costs, develop new products and push the boundaries of our current business.

PCauto's revenue decreased by 14.4% compared to the year before and accounted for 87.1% of the total revenue of the Group. 2024 continued to be a difficult year for automobile manufacturers as profit margins remained low due to the continued domestic EV price competition; thereby limiting advertising and marketing spend. Throughout the year, PCauto has focused on increasing the production quality of content and investing in online-to-offline marketing events to drive increased engagement. New products delivered such as our Intelligent Driving Evaluation series and an increase in short video content broadcasts have been among the key growth drivers for engagement. Additionally, we have further developed our artificial intelligence driven products aimed at business customers to deliver greater value to our partners.

PConline's revenue decreased by 6.5% compared to the year before and accounted for 10.0% of the total revenue of the Group. Throughout 2024, consumer electronics manufacturers continued to limit advertising and take a cautious approach to product development. To compete in attracting and retaining consumers in different demographics, the Company has driven more online-to-offline marketing events in colleges and universities as well as coordinated large-scale offline events to attract users.

While we are aware of the significant challenges that lie ahead of us in 2025, we are encouraged by the positive results of the past year. We will continue to leverage AI both as a tool to make us more efficient and as a way forward to drive growth. We expect the coming year to be filled with uncertainty, but we are cautiously optimistic moving forward regarding our prospects.

## **Revenue**

Revenue decreased 14.2% from RMB740.1 million for the year ended 31 December 2023 to RMB635.0 million for the year ended 31 December 2024.

Revenue for PCauto, the Group's automobile portal, decreased 14.4% from RMB646.4 million for the year ended 31 December 2023 to RMB553.1 million during the year ended 31 December 2024. The decrease in revenue for PCauto was due to decreased advertising spending from automobile manufacturers during the year. As a percentage of revenue, PCauto accounted for 87.3% during the year ended 31 December 2023 and 87.1% during the year ended 31 December 2024.

Revenue for PConline, the Group's IT and consumer electronics portal, decreased 6.5% from RMB67.8 million during the year ended 31 December 2023 to RMB63.4 million during the year ended 31 December 2024. The decrease was due to decline in demand from consumer electronics manufacturers. As a percentage of revenue, PConline accounted for 9.2% during the year ended 31 December 2023 and 10.0% during the year ended 31 December 2024.

Revenue from other operations, including PClady and PChouse portals, decreased by 28.5% from RMB25.9 million during the year ended 31 December 2023 to RMB18.5 million during the year ended 31 December 2024. The decrease was mainly due to the decrease in general consumption from these sectors. As a percentage of revenue, revenue from other operations accounted for 3.5% during the year ended 31 December 2023 and 2.9% during the year ended 31 December 2024.

## **Cost of Revenue**

Cost of revenue decreased 23.0% from RMB477.4 million during the year ended 31 December 2023 to RMB367.7 million during the year ended 31 December 2024. Gross profit margin was 35.5% during the year ended 31 December 2023 and 42.1% during the year ended 31 December 2024. The decrease in cost of revenue was mainly due to decrease in services commission to advertising agencies and outsourcing production costs.

### **Selling and Marketing Costs**

Selling and marketing costs decreased 25.1% from RMB164.5 million during the year ended 31 December 2023 to RMB123.2 million during the year ended 31 December 2024. The decrease in selling and marketing expenses was mainly due to the decrease in advertising expenses and employee benefit expenses.

### **Administrative Expenses**

Administrative expenses decreased by 9.0% from RMB57.1 million during the year ended 31 December 2023 to RMB52.0 million during the year ended 31 December 2024, mainly due to decrease in staff costs and general office expenses during the year ended 31 December 2024.

### **Product Development Expenses**

Product development expenses decreased by 41.2% from RMB62.4 million during the year ended 31 December 2023 to RMB36.7 million during the year ended 31 December 2024. The decrease was primarily due to decrease in staff costs and general expenses in the Group's research and development team.

### **Net Impairment Losses on Financial Assets**

Net impairment losses on financial assets was RMB20.2 million during the year ended 31 December 2024 and RMB1.7 million during the year ended 31 December 2023. The increase in net impairment losses was mainly due to certain trade receivables identified with uncertainty in collection, which were individually assessed with provision recognised as well as there were longer account receivables outstanding during the period.

### **Other Income**

Other income was RMB12.2 million during the year ended 31 December 2024 and RMB14.4 million during the year ended 31 December 2023. The decrease was mainly due to less rental income and government grants.

### **Other (Losses)/Gains**

Other losses was RMB2.2 million during the year ended 31 December 2024 and it mainly resulted from the fair value losses of a passive equity investment during the year, whereas other gains was RMB7.4 million during the year ended 31 December 2023.

## **Finance Income and Cost**

Net finance income decreased 23.3% from RMB5.0 million during the year ended 31 December 2023 to RMB3.8 million during the year ended 31 December 2024. The decrease was mainly due to less bank interest income offsetting the decrease of net foreign exchange losses during the year ended 31 December 2024.

## **Income Tax Expense**

Income tax expenses was RMB5.3 million during the year ended 31 December 2024 and RMB35.7 million during the year ended 31 December 2023. The decrease was mainly due to the additional tax loss in the year ended 31 December 2023 not being recognized as deferred tax assets.

## **Net Profit/(Loss) Attributable to Equity Holders**

Net profit attributable to equity holders was RMB43.7 million during the year ended 31 December 2024 and net loss attributable to equity holders was RMB32.3 million during the year ended 31 December 2023.

## **Liquidity and Financial Resources**

As of 31 December 2024, the Group had short-term deposits and cash totaling RMB263.5 million, compared with RMB271.8 million as of 31 December 2023. In 2024, net cash generated from operating activities was RMB20.5 million, net cash generated from investing activities was RMB21.0 million, net cash used in financing activities was RMB49.6 million, with a net decrease in cash and cash equivalents of RMB8.1 million for year 2024. In 2023, net cash used in operating activities was RMB16.5 million, net cash generated from investing activities was RMB4.1 million, net cash used in financing activities was RMB114.2 million, with a net decrease in cash and cash equivalents of RMB126.6 million for year 2023. The Company had no external debt as of 31 December 2023 and 31 December 2024.

## **Bank Borrowings**

As of both 31 December 2024 and 31 December 2023, the Group did not have any bank borrowings and therefore, its gearing ratio, representing the ratio of total bank borrowings to shareholders' equity, was nil for both years.

## **Material Acquisitions and Disposals**

During the year ended 31 December 2024, the Group disposed a subsidiary and recorded a net gain of RMB2.0 million.



## **Charges on Assets**

As at 31 December 2024, the Group had no bank deposits or other assets pledged to secure its banking facilities.

## **Foreign Exchange Risk**

The Group's operating activities were principally carried out in China with most of its transactions denominated and settled in Renminbi, and therefore the overall foreign currency risk was not considered to be significant.

## **Employee and Remuneration Policies**

As at 31 December 2024, the Group had 733 employees (2023: 771). The Group determines its staff's remuneration based on factors such as qualifications and years of experience.

## **OTHER INFORMATION**

### **Proposed Final Dividend**

The Board has recommended the payment of a final cash dividend of RMB4.5 cents per ordinary share for the year ended 31 December 2024 (the "Proposed Final Dividend"), which compares with RMB4.0 cents for 2023. The final dividend is subject to the shareholders' approval at the Company's forthcoming annual general meeting to be held on Tuesday, 6 May 2025 (the "2025 AGM"). The Proposed Final Dividend will be paid in cash on Friday, 6 June 2025 to shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 14 May 2025.

### **Closure of Register of Members**

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 29 April 2025 to Tuesday, 6 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 28 April 2025.

For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Tuesday, 13 May 2025 to Wednesday, 14 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at the above address, for registration not later than 4:30 p.m. on Monday, 12 May 2025.

### **Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2024.

As of 31 December 2024, there were no treasury shares held by the Company.

### **Audit Committee**

The Audit Committee of the Company, which comprises all the independent non-executive directors of the Company, namely Mr. Tsui Yiu Wa, Alec (Chairman of the Audit Committee), Mr. Thaddeus Thomas Beczak, Mr. Lam Wai Hon, Ambrose and Ms. Lee Kit Ying, has reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control and financial reporting matters, including the review of the annual financial results of the Group for the year ended 31 December 2024.

The Audit Committee of the Company is in agreement with the Group's auditor on their expression of the audit qualification as explained under the section of "EXTRACT OF INDEPENDENT AUDITOR'S REPORT".

### **Scope of work of PricewaterhouseCoopers**

The figures in respect of the announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## **Corporate Governance**

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31 December 2024, except that there is no separation of the role of chairman and chief executive as stipulated in the code provision C.2.1. Dr. Lam Wai Yan currently assumes the role of both the Chairman and the Chief Executive Officer of the Company. As Dr. Lam is a co-founder of the Group and has extensive experiences in the internet industry, the Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies. As such, it is beneficial to the business prospects of the Group.

## **Appreciation**

I would like to take this opportunity to express my sincerest gratitude on behalf of the Board to all of my employees and shareholders for their continuous effort and support.

On behalf of the Board  
**Pacific Online Limited**  
**Lam Wai Yan**  
*Chairman*

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises 3 executive directors, namely, Dr. Lam Wai Yan, Mr. Ho Kam Wah and Mr. Wang Ta-Hsing; and 4 independent non-executive directors, namely, Mr. Tsui Yiu Wa, Alec, Mr. Thaddeus Thomas Beczak, Mr. Lam Wai Hon, Ambrose and Ms. Lee Kit Ying.*