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多想雲
MANY IDEA
CLOUD

Many Idea Cloud Holdings Limited
多想雲控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6696)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “**Board**”) of Many Idea Cloud Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 (RMB'000)	2023 (RMB'000)
Revenue	5	1,790,774	1,192,040
Cost of revenue	5	(1,663,085)	(1,074,194)
Gross profit		127,689	117,846
Other revenue	6	7,749	10,528
Other gains and losses	7	(11,577)	642
Selling and marketing expenses		(53,109)	(6,309)
Administrative expenses		(20,099)	(24,104)
Provision for impairment loss on trade receivables and other financial assets (net)		(128,837)	(65,607)
Impairment loss on intangible assets	13	(107,841)	-
Share of losses of associates		(66)	-
Finance costs	8	(3,208)	(2,981)
(Loss)/Profit before tax	9	(189,299)	30,015
Income tax credit	10	3,727	3,040
(Loss)/Profit for the year		(185,572)	33,055

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – Continued

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
(Loss)/Profit for the year attributable to			
Owners of the Company		(185,503)	33,067
Non-controlling interests		(69)	(12)
		<u>(185,572)</u>	<u>33,055</u>
(Loss)/Profit for the year		<u>(185,572)</u>	<u>33,055</u>
Other comprehensive income (expense)/income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Expected credit losses on debt instrument measured at fair value through other comprehensive income		(356)	356
Fair value changes of debt instrument measured at fair value through other comprehensive income		255	(255)
Other comprehensive (expense)/income for the year		<u>(101)</u>	<u>101</u>
Total comprehensive (expense)/income for the year		<u>(185,673)</u>	<u>33,156</u>
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(185,604)	33,168
Non-controlling interests		(69)	(12)
		<u>(185,673)</u>	<u>33,156</u>
(Loss)/earnings per share attributable to owners of the Company (RMB)			
– Basic	12	<u>(0.158)</u>	<u>0.041</u>
– Diluted	12	<u>(0.158)</u>	<u>0.040</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024	2023
		(RMB'000)	(RMB'000)
Non-current assets			
Property, plant and equipment		961	1,057
Right-of-use assets		10,695	1,535
Intangible assets	<i>13</i>	3,355	110,123
Financial assets at fair value through other comprehensive income		2,000	10
Interests in an associate		48,934	47,000
Deferred income tax assets		26,877	21,898
Prepayments, deposits and other receivables		665	14,064
Total non-current assets		93,487	195,687
Current assets			
Trade receivables	<i>14</i>	561,841	313,495
Prepayments, deposits and other receivables		161,738	220,905
Contract costs		103	100
Financial assets at fair value through other comprehensive income		–	18,711
Cash and cash equivalents		21,281	26,131
Total current assets		744,963	579,342
Total assets		838,450	775,029
Current liabilities			
Trade payables	<i>15</i>	51,108	18,483
Other payables and accruals		75,028	48,803
Contract liabilities		110,328	36,452
Borrowings		73,123	56,555
Lease liabilities		2,548	459
Current tax liabilities		36,596	35,861
Total current liabilities		348,731	196,613
Net current assets		396,232	382,729
Total assets less current liabilities		489,719	578,416

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued

As at 31 December 2024

	<i>Notes</i>	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Non-current liabilities			
Lease liabilities		<u>7,314</u>	<u>400</u>
Total non-current liabilities		<u>7,314</u>	<u>400</u>
NET ASSETS		<u>482,405</u>	<u>578,016</u>
Equity attributable to owners of the Company			
Share capital	<i>16</i>	123	72
Reserves		<u>480,850</u>	<u>576,443</u>
		<u>480,973</u>	<u>576,515</u>
Non-controlling interests		<u>1,432</u>	<u>1,501</u>
TOTAL EQUITY		<u>482,405</u>	<u>578,016</u>

1. GENERAL INFORMATION

Many Idea Cloud Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 10 June 2021, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**HKEx**” or the “**Stock Exchange**”) since 9 November 2022.

The registered office of the Company is located at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. Its principal place of business is 12/F, ERKE Group Mansion, 11 Guanyin Shan Hualian Road, Siming District, Xiamen, Fujian Province, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and the Group, comprising the Company and its subsidiaries, is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and Software as a Service (the “**SaaS**”) interactive marketing services in the PRC.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new or amendments to HKFRSs – effective 1 January 2024

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these new or amendments to HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amendments to HKFRSs that is not yet effective for the current accounting period.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

(b) New or amendments to HKFRSs that have been issued but not yet effective

The following new or amendments to HKFRSs, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective date to be determined.

Further details about those HKFRSs that are not yet effective and are expected to be applicable to the Group are as follows:

Amendments to HKFRS 9 and HKFRS 7

The Amendments to HKFRS 9 and HKFRS 7 clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer, the requirements for assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, characteristics of non-recourse loans and contractually linked instruments. The Amendments also introduce additional disclosure requirements for equity instruments classified as FVOCI and for financial instruments with contingent features.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

(b) New or amendments to HKFRSs that have been issued but not yet effective – Continued

HKFRS 18

HKFRS 18 will have a significant effect on how entities present their financial statements with emphasis on reporting of financial performance. The areas that will be significantly affected include categorisation and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is currently analysing the new requirements and assessing the impact of the amendments towards the Group’s financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, *Hong Kong Accounting Standards* (“**HKASs**”) and *Interpretations* (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institution of Certified Public Accountants and the disclosure requirement of the *Hong Kong Companies Ordinance*. In addition, the consolidated financial statements include applicable disclosures required by the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (“**the Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the financial assets at fair value through other comprehensive income and conversion option portion of convertible bonds, which are measured at fair value as explained in the accounting policies set out below.

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company. All values in the consolidated financial statements are rounded to the nearest thousand except when otherwise indicated.

3. BASIS OF PREPARATION – Continued

(d) Going Concern

The Group incurred a loss of RMB185,572,000 for the year ended 31 December 2024. Although, as of the same date, the Group had net current assets of RMB396,232,000, the gross carrying amount of trade receivables, as disclosed in note 22, increased from RMB424,977,000 as at 31 December 2023 to RMB802,516,000 as at 31 December 2024 due to longer settlement times from customers under the prevailing economic environment in which the Group operated.

In view of such circumstances, the Directors of the Company have given careful consideration to the future liquidity, performance and the available sources of financing of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern. A number of plans and measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position and its operations. These include the following:

- (i) the Group has been in active communications with banks and other financial institutions to secure the necessary borrowings and to obtain new facilities to fund the Group's capital expenditures and operations;
- (ii) the Group has been strengthening its credit control policies and actively implemented measures to speed up the collection of substantial payments from customers;
- (iii) the Group will continue to make efforts to keep the Group in operation in anticipation of the potential changes in economic environment; and
- (iv) the Group will continue to take active measures to control administrative and financial costs through various channels including debt structure optimisation, establishment of budget and control standards, and containment of capital expenditures.

Based on the above, the Directors of the Company consider that the Group would have sufficient financial resources to continue as a going concern and accordingly it is appropriate to prepare the consolidated financial statements on a going concern basis.

4. SEGMENT INFORMATION

Operating segments

The Group is principally engaged in provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services in the PRC.

The information reported to the Board of the Company, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and performance assessment, does not contain discrete operating segment financial information, and the CODM reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

Substantially all of the Group’s revenues from external customers during the years ended 31 December 2024 and 2023 were attributed to the PRC, and are based on the location in which the relevant Group’s activities which generated such revenues were carried out.

The geographical location of non-current assets (excluding deferred tax assets and financial assets) is based on the physical location of the assets. As at 31 December 2024 and 2023, all of the Group’s non-current assets (excluding deferred tax assets and financial assets) are located in the PRC.

Information about major customers

During the years ended 31 December 2024 and 2023, the Group’s largest customer accounted for 18.1% of the Group’s total revenue.

5. REVENUE AND COST OF REVENUE

An analysis of revenue and cost of revenue is as follow:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Integrated marketing services		
– Content marketing services	317,557	315,113
– Digital marketing services	1,440,291	772,758
– Public relations event planning services	16,458	20,382
– Media advertising services	8,941	50,125
	<u>1,783,247</u>	<u>1,158,378</u>
Less: Cost of revenue	<u>(1,643,499)</u>	<u>(1,046,468)</u>
	<u><u>139,748</u></u>	<u><u>111,910</u></u>
SaaS interactive marketing services	7,527	33,662
Less: Cost of revenue	<u>(19,586)</u>	<u>(27,726)</u>
	<u>(12,059)</u>	<u>5,936</u>
Gross profit	<u><u>127,689</u></u>	<u><u>117,846</u></u>
Timing of revenue recognition		
At a point in time	2,242	16,794
Transferred over time	<u>1,789,532</u>	<u>1,175,246</u>
	<u><u>1,791,774</u></u>	<u><u>1,192,040</u></u>

The Group has applied the practical expedient to its performance obligation under the sales contracts for content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for the performance obligation is part of a contract that had an original expected duration of one year or less.

6. OTHER REVENUE

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Government grants <i>(Note i)</i>	6,317	4,443
Bank interest income	46	418
Interest income on debt instruments measured at fair value through other comprehensive income (“FVTOCI”)	379	997
Additional value-added tax (“VAT”) input deduction <i>(Note ii)</i>	970	4,636
Others	37	34
	<u>7,749</u>	<u>10,528</u>

Notes:

(i) Government grants mainly represent grants received from the PRC local government authority as subsidies to the Group for:

- (a) enhancement of high-quality development in culture and creative industries; and
- (b) sustainable business development with high-technology and advanced technology.

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised for the years ended 31 December 2024 and 31 December 2023.

(ii) Additional VAT input deduction was recognised in profit or loss due to the VAT reform. In accordance with VAT Reformation Article No. 39, the Group is eligible for VAT credits of 10% additional VAT input deduction from 1 April 2019 to 31 December 2024 upon meeting all applicable criteria.

7. OTHER GAINS AND LOSSES

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Exchange gains, net	1,561	645
Gains on early termination of lease	120	–
Gain/(loss) on disposal of property, plant and equipment	153	(3)
Write-off of intangible assets <i>(Note 13)</i>	(13,400)	–
Others	11	–
	<u>11</u>	<u>–</u>
	<u>(11,577)</u>	<u>642</u>

8. FINANCE COSTS

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Interest expenses on bank borrowings	2,401	1,871
Interest expenses on loan from third parties	607	496
Imputed interest expenses on convertible bonds	–	490
Imputed interest expenses on lease liabilities	200	124
	<u>200</u>	<u>124</u>
	<u>3,208</u>	<u>2,981</u>

9. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSE

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

	2024 (RMB'000)	2023 (RMB'000)
Auditors' remuneration	1,386	1,531
Amortisation of intangible assets included in <i>(Note 13)</i> :		
– Administrative expenses	280	37
– Cost of revenue	17,495	12,708
– Selling and marketing expenses	19	75
– Research costs	–	2,747
	<u>17,794</u>	<u>15,567</u>
Cost of revenue <i>(Note 5)</i>	1,658,708	1,074,194
Cost of inventories recognised as expenses	2,410	9,215
Depreciation charged:		
– Property, plant and equipment	519	693
– Right-of-use assets	2,688	2,876
Employee costs	25,917	22,643
Net provision of impairment loss recognised on trade receivables <i>(Note 14)</i>	129,193	65,761
Reversal of provision for impairment loss recognised on debt instruments measured at FVTOCI	(356)	(154)
	<u>128,837</u>	<u>65,607</u>
Impairment loss on intangible assets <i>(Note 13)</i>	107,841	–
Research costs included in administrative expenses	–	6,724
Short-term leases expenses	1,939	3,371

Notes:

Cost of revenue includes RMB14,474,000 (2023: RMB9,966,000) of employee costs, RMB1,610,000 (2023: RMB3,237,000) of short-term leases expenses, RMB2,410,000 (2023: RMB9,215,000) of costs of inventories recognised as expenses, which are also included in the respective total amounts disclosed above for each of these types of expenses respectively.

10. INCOME TAX CREDIT

The amount of income tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 (RMB'000)	2023 (RMB'000)
Current tax – PRC Enterprise Income Tax (the “PRC EIT”)		
– for the year	1,004	8,997
– under-provision in prior years	248	25
Deferred tax		
– for the year	<u>(4,979)</u>	<u>(12,062)</u>
Income tax	<u><u>(3,727)</u></u>	<u><u>(3,040)</u></u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the company incorporated in the Cayman Islands and the company’s subsidiary incorporated in the BVI are not subject to any EIT.

Hong Kong Profits Tax for the Company’s subsidiary incorporated in Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits, if any.

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC EIT of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for the below subsidiaries, which are entitled to a preferential tax rate according to the Enterprise Income Tax Preference Policies issued by the State Taxation Administration.

According to “Notice of the Ministry of Finance and the State Taxation Administration on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Huoerguosi” (「財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知」), a subsidiary of the Group located in Xinjiang, the PRC was entitled to the exemption from the EIT for 5 years since it started its operation in 2022. According to the approval from the PRC government, such exemption will be ended on 31 December 2026.

According to “Announcement of Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China” (「關於延續西部大開發企業所得稅政策的公告」), a subsidiary of the Group, located in Xinjiang and not subjected to the exemption from the EIT according to the “Notice”, was entitled to a preferential tax rate of 15% since 1 January 2021.

10. INCOME TAX CREDIT – Continued

According to “Notice on the Implementation of Inclusive Tax Reduction and Exemption Policies for Small and Micro Enterprises” (「關於實施小微企業和個體工商戶所得稅優惠政策的公告」) since 1 January 2022, for certain subsidiaries of the Group located in the PRC, if their annual taxable profits do not exceed RMB1 million, only 12.5% of such amount is taxable at 20%; while if their annual taxable profits do exceed RMB1 million but less than RMB3 million, only 25% of such amount is taxable with a tax rate of 20%. However, if their annual taxable profits do exceed RMB3 million, the whole amount will be taxable at the tax rate of 25%.

According to “Notice of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port” (「關於海南自由貿易港企業所得稅優惠政策的通知」), a subsidiary of the Group located in Hainan, the PRC was entitled to a preferential tax rate of 15%.

The income tax credit can be reconciled to the (loss)/profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 (RMB'000)	2023 (RMB'000)
(Loss)/profit before income tax expense	<u>(189,299)</u>	<u>30,015</u>
Tax calculated at PRC statutory tax rate of 25%	(47,324)	7,503
Effect of different tax rates of subsidiaries operating in other jurisdictions	5,927	497
Expenses not deductible for tax purposes	2,500	813
Income not taxable for tax purpose	(250)	(274)
Tax effect of deductible temporary differences not recognised	44,371	-
Effect of tax concession granted to PRC subsidiaries	(10,125)	(11,465)
Effect of tax losses not recognised	926	28
Utilisation of unrecognised tax losses	-	(167)
Under-provision in prior years	<u>248</u>	<u>25</u>
Income tax credit	<u>(3,727)</u>	<u>(3,040)</u>

The weighted average applicable tax rate was 1.97% (2023: -10.13%).

11. DIVIDENDS

There were no dividends paid or declared by the Company in respect of the years ended 31 December 2024 and 2023.

12. (LOSS)/EARNINGS PER SHARE

(a) Basic

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
(Loss)/profit for the year attributable to owners of the Company for the purpose of computation of basic (loss)/earnings per share (<i>RMB'000</i>)	<u>(185,503)</u>	<u>33,067</u>
Weighted average number of ordinary shares for the purpose of computation of basic (loss)/earnings per share	<u>1,170,491,803</u>	<u>800,000,000</u>
Basic (loss)/earnings per share (<i>RMB</i>)	<u><u>(0.158)</u></u>	<u><u>0.041</u></u>

The weighted average number of ordinary shares used to calculate the basic loss per share amount for the year ended 31 December 2024 was based on the below:

- (a) 800,000,000 ordinary shares issued as at 1 January 2024;
- (b) 400,000,000 ordinary shares offered by the way of open offer on 17 April 2024;
- (c) 160,000,000 new shares were issued by the Company on 15 June 2024.

12. (LOSS)/EARNINGS PER SHARE – Continued

(b) Diluted

The convertible bonds issued by the Company have potential dilutive effect on the earnings per share for the year ended 31 December 2023. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by assuming there is conversion of all convertible bonds issued by the Group (collectively forming the denominator for computing the diluted earnings per share).

In addition, the (loss)/profit for the year attributable to owners of the Company (numerator) has been adjusted by the effect of the convertible bonds on profit or loss that would result from their conversion.

	2024	2023
(Loss)/profit for the year attributable to owners of the Company for the purpose of computation of basic (loss)/earnings per share (<i>RMB'000</i>)	(185,503)	33,067
Effect on profit or loss arising from conversion of convertible bonds issued by the Group (<i>RMB'000</i>)	<u>–</u>	<u>(645)</u>
(Loss)/profit for the year attributable to owners of the Company for the purpose of computation of diluted (loss)/earnings per share (<i>RMB'000</i>)	<u>(185,503)</u>	<u>32,422</u>
Weighted average number of ordinary shares for the purpose of computation of basic (loss)/earnings per share	1,170,491,803	800,000,000
Adjustments for convertible bonds issued by the Group	<u>–</u>	<u>95,281</u>
Weighted average number of ordinary shares for the purpose of computation of diluted (loss)/earnings per share	<u>1,170,491,803</u>	<u>800,095,281</u>
Diluted (loss)/earnings per share (<i>RMB</i>)	<u><u>(0.158)</u></u>	<u><u>0.040</u></u>

13. INTANGIBLE ASSETS

	Computer software <i>(RMB'000)</i>	Licences <i>(RMB'000)</i>	Building construction design <i>(RMB'000)</i>	Total <i>(RMB'000)</i>
Cost				
At 1 January 2023	102,903	23,321	–	126,224
Additions				
– Externally acquired	<u>19,556</u>	<u>–</u>	<u>–</u>	<u>19,556</u>
At 31 December 2023 and 1 January 2024	122,459	23,321	–	145,780
Additions				
– Externally acquired	18,867	–	13,400	32,267
Write-off (<i>Note 7</i>)	<u>–</u>	<u>–</u>	<u>(13,400)</u>	<u>(13,400)</u>
At 31 December 2024	<u>141,326</u>	<u>23,321</u>	<u>–</u>	<u>164,647</u>
Accumulated amortisation				
At 1 January 2023	12,705	7,385	–	20,090
Accrual in the current year	<u>10,903</u>	<u>4,664</u>	<u>–</u>	<u>15,567</u>
At 31 December 2023 and 1 January 2024	23,608	12,049	–	35,657
Charged during the year	13,130	4,664	–	17,794
Impairment losses recognised during the year	<u>101,326</u>	<u>6,515</u>	<u>–</u>	<u>107,841</u>
At 31 December 2024	<u>138,064</u>	<u>23,228</u>	<u>–</u>	<u>161,292</u>
Net book value				
At 31 December 2024	<u><u>3,262</u></u>	<u><u>93</u></u>	<u><u>–</u></u>	<u><u>3,355</u></u>
At 31 December 2023	<u><u>98,851</u></u>	<u><u>11,272</u></u>	<u><u>–</u></u>	<u><u>110,123</u></u>

The Group has performed a review to reassess the estimated useful lives of the computer software and licences based on more experiences attained by the Group's operational management, and has changed the expected useful lives of the computer software and licences from 3-10 years to 1-10 years to better reflect their actual useful lives. The change has been accounted for prospectively as a change in an accounting estimate in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" effective from 1 January 2025.

13. INTANGIBLE ASSETS – Continued

The change has been applied prospectively and will result in a decrease in amortisation of approximately RMB16,900,000 for the year ending 31 December 2025.

Impairment assessment of intangible assets

As at 31 December 2024, an amount of RMB109,379,000 represented the carrying amount of licenses and computer software for generating revenue from SaaS interactive marketing services. Due to the rapid development of artificial intelligence as a substitute of SaaS interactive marketing services offered by the Group, the SaaS business of the Group has suffered an unexpected decline in revenue and incurred gross loss of RMB12,059,000 during the year ended 31 December 2024. Accordingly, management considered that impairment indicator existed and performed impairment assessment to estimate the recoverable amounts of the aforementioned intangible assets.

In preparing the consolidated financial statements for the year ended 31 December 2024, the Group has engaged an external valuer to assist them in determining the recoverable amount of the intangible assets in relation to the SaaS business (“**SaaS Intangible Assets**”). The recoverable amount of SaaS Intangible Assets is determined based on value-in-use calculation. The value-in-use calculation uses pre-tax cash flow projection over the SaaS Intangible Assets’ useful life, which is based on financial budget approved by management covering a one-year period. Management’s forecast for the budget period takes into account the performance of the SaaS business in current period and incorporating management’s latest plans for the SaaS business, with annual revenue growth rate until the end of remaining useful life of one year as 0%. The pre-tax discount rate used to determine the recoverable amounts is 13.52%.

The discount rates applied by the Group reflects the current market assessment of the time value of money and the risk specific to the SaaS Intangible Assets. Revenue growth rate is based on past practices and expectations on market and operational development.

As a result, the directors of the Company estimate that the recoverable amount of the SaaS Intangible Assets is approximately RMB1,538,000. Therefore, an impairment of the SaaS Intangible Assets, amounting to approximately RMB107,841,000, have been recognised in profit or loss.

Written-off of intangible assets

During the year ended 31 December 2024, the Group externally acquired a building construction design amounting to RMB13,400,000 for the original development plan of head office of the Group which was then abandoned and a full write-off of RMB13,400,000 was provided for the year ended 31 December 2024.

14. TRADE RECEIVABLES

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Trade receivables	802,516	424,977
Less: Provision for impairment loss recognised	<u>(240,675)</u>	<u>(111,482)</u>
	<u>561,841</u>	<u>313,495</u>

The Group's trading terms with customers are mainly on credit. The credit terms are generally 180 days.

An ageing analysis, based on the date of rendering services, which approximates the respective revenue recognition dates (before impairment), as of the end of the reporting period is as follows:

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
1 to 6 months	436,627	240,387
More than 6 months but less than 12 months	139,784	76,605
More than 1 year but less than 2 years	135,840	65,414
More than 2 years	<u>90,265</u>	<u>42,571</u>
	<u>802,516</u>	<u>424,977</u>

Movements on the Group's provision for impairment on trade receivables are as follows:

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
At the beginning of the year	111,482	45,721
Net impairment loss on trade receivables (<i>Note 9</i>)	<u>129,193</u>	<u>65,761</u>
	<u>240,675</u>	<u>111,482</u>

15. TRADE PAYABLES

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Trade payables <i>(Note (a))</i>	<u>51,108</u>	<u>18,483</u>

Notes:

- (a) An ageing analysis of trade payables as at the reporting date, based on the invoice dates, is as follows:

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Within 6 months	43,609	10,119
More than 6 months but less than 12 months	1,193	3,324
More than 1 year but less than 2 years	4,897	4,310
More than 2 years	<u>1,409</u>	<u>730</u>
	<u>51,108</u>	<u>18,483</u>

The Group's trade payables are non-interest bearing and generally have payment terms of 30-90 days.

16. SHARE CAPITAL

	Number	Amount <i>(HKD'000)</i>	Amount <i>(RMB'000)</i>
Ordinary shares of par value of HKD0.0001 each			
Authorised			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>10,000,000,000</u>	<u>1,000</u>	<u>887</u>
Issued and fully paid			
As at 1 January 2023, 31 December 2023 and 1 January 2024	800,000,000	80	72
Issuance of shares under open offer (<i>Note (i)</i>)	400,000,000	40	36
Issue of shares (<i>Note (ii)</i>)	<u>160,000,000</u>	<u>16</u>	<u>15</u>
At 31 December 2024	<u>1,360,000,000</u>	<u>136</u>	<u>123</u>

Notes:

- (i) On 17 April 2024, the Board proposed an open offer to the shareholders for a total of 400,000,000 shares at a price of HKD0.15 per share, on the basis of one rights share for every two shares held.
- (ii) On 15 June 2024, the Company entered into two subscription agreements with two subscribers, involving a total subscription of 160,000,000 subscription shares at a price of HKD0.25 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Industry review

In the ever-changing year of 2024, the advertising industry continued to stand as a key driver of global economic growth. We also witnessed a boom in digital advertising, especially as social media, search engine optimisation and video content marketing innovations continued to drive the industry forward. With the continuous advancement of 5G and AI technology, advertising personalisation and audience targeting reached unprecedented precision.

Core players in the advertising market, from traditional ad groups to tech giants, were all adapting to this shift, seeking innovative ways to engage consumers and improve advertising efficiency. Throughout the year, we also observed the impact of COVID-19 on consumer behaviours, which forced brands to understand user needs online deeply. Content marketing and influencer marketing were on the rise, while the industry was increasingly emphasizing transparency and ethical standards in response to gradually tightening regulatory environments.

Despite challenges, the industry's spirit of innovation remained strong, and emerging technologies like augmented reality and virtual reality were paving the way for new interactive channels, showing the potential to reshape future advertising practices. Regarding industry regulation, data privacy protection has become a global focus, which impacts advertising strategies and operational models profoundly. However, the resilience and innovation shown by the advertising market made people optimistic about its future development. Generally, 2024 was a year of challenges and opportunities for this industry. These experiences will lay a solid foundation for its future growth and evolution.

Business review

Our products and services

In 2024, we focused on new consumer verticals and new media. Building on our existing integrated marketing service capabilities—which consist of five types of marketing services: (i) content marketing; (ii) digital marketing; (iii) public relations event planning; (iv) media advertising; and (v) SaaS interactive marketing—we aim to provide brands with case services for content e-commerce effect. Through live streaming operation, short video recommendation, and KOL distribution comprehensive e-commerce operation, we assisted customers in reducing customer acquisition costs and enhancing brand competitiveness, visibility, and market share around DouYin ecosystem.

Our projects have received numerous awards, such as the China Advertising Great-wall Award (awarded by the China Advertising Association, a national industry association with over 35 years of history), the China Advertising Marketing Award (awarded by China Advertising Magazine, a professional advertising magazine in China), the Tiger Roar Award (虎嘯獎) and the Creative Awards Innovation – Gold Award (科睿創新獎金獎).

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance the awareness and popularity of their brands and products. Our customers consist of a number of brands and listed companies with which we have developed a stable business relationship.

Prospects and outlook

Looking to the future, as the economy gradually recovers in the post-COVID-19 era, China is expected to construct more large venues for cultural and sports events, which is likely to draw more people to concerts, dramas, and sports events. According to the *Opinions of the State Council on Implementing the Healthy China Action* (《關於實施健康中國行動的意見》) and the *Policy on Establishing the Healthy China Action Promotion Committee* (《健康中國行動推薦委員會》), the Chinese government and residents have begun to pay more attention to promoting personal health and sports events. In such context, we will speed up efforts in offline events and rapidly expand the blueprint for the offline integrated marketing events to maximise the scale of the offline integrated marketing services. It is expected that content marketing services will continue to develop in the future. In addition, we will grasp new opportunities bestowed by the new era to focus on enhancing our efforts around social media, secure the first-class agent qualifications of Xiaohongshu and Tencent, and improve the brand-efficiency integration solutions services. Furthermore, we will focus on the industry, enhance industry expertise, improve media operational capabilities, strengthen traffic optimisation, and increase and expand our AI-enabled marketing capabilities.

We believe the following competitive advantages have contributed to our success and will drive our growth in the future:

We are a PRC event content marketing services company with capability of project planning, design, operation and execution, through which we support our customers to enhance the effectiveness of their marketing campaigns and brand value.

We believe that the extensive resources we have accumulated throughout the years of our operation provide us with a competitive advantage to provide integrated marketing solutions services to our customers. With extensive experience in integrated marketing solutions services, we have an insightful understanding of the market and our customers' demands. Further, leveraging on our planning, design, operation, and execution capabilities of IP contents, we are able to facilitate our customers to increase brand awareness among their end customers and to enhance their interactions with their end customers, especially through event content marketing projects.

With the capability to integrate “online” and “offline” media channel resources, we are able to provide one-stop integrated marketing solutions services to our customers, thereby enhancing the publicity effect of marketing activities for our customers.

With years of operation in the industry, we have developed extensive resources and long-term cooperation with a number of upstream and downstream industry players. This has equipped us with knowledge of the operational characteristics of the different advertising and marketing channels, thereby allowing us to provide more tailored advertising and marketing strategies to our customers to achieve better marketing effects for them.

We have stable cooperation with a large number of customers and a majority of our customers come from the fast-moving consumer goods (“FMCG”), footwear and apparel and real estate industries.

We have established strong business relationships with a number of our major customers. We also have an extensive customer base, which includes enterprises engaged in various industries such as footwear and apparel, food and beverage, daily necessities, real estate, fashion, electronics, and the internet, as well as governments and universities.

We have the capability to operate and commercialise IP contents through our integrated marketing solutions services.

Building upon our years of experience in providing integrated marketing solutions services to our customers, we have developed the capability to operate and commercialise IP contents through our content marketing projects. For our content marketing projects, we integrate brands and products of our customers into the content marketing projects to promote our customers’ brands and products which, at the same time, increase the popularity and commercial values of the IP contents through the projects.

We are empowered by AI technology to provide integrated “Content + Technology” platform services.

We realise AI-enabled integrated marketing for enterprises, achieving marketing and capital empowerment, and online and offline dual drive. This enables us to compete with other online marketing competitors.

We have a visionary and experienced management team.

We have a strong management team with a full range of expertise in operation and industry. Our Group is under the leadership of Mr. Liu Jianhui, our founder and chairman of our Board, who has over 15 years of experience in the marketing industry and possesses excellent capabilities in sales and business management within the industry. Other senior management members of the Group also have strong marketing or related experience, strong industry background, and extensive experience with our customers.

FINANCIAL REVIEW

Overview

We provide integrated marketing solutions services mainly in the PRC to a large base of customers, with particular success in the FMCG, footwear and apparel and real estate industries. Our total revenue consists of revenue from integrated marketing solutions services.

During the Reporting Period, our total revenue amounted to approximately RMB1,790,774,000, a year-on-year (“YoY”) increase of approximately 50.2% (approximately RMB1,192,040,000 in 2023), mainly due to our ongoing business expansion and improved reputation among existing and potential customers, as well as a significant increase in revenue from DouYin businesses, which greatly boosted our digital marketing service revenue.

Revenue

During the Reporting Period, our total revenue reached approximately RMB1,790,774,000, a YoY growth of approximately 50.2% (approximately RMB1,192,040,000 in the same period in 2023). The increase in total revenue was due to the abundance of experience in serving customers gleaned over the years, the introduction of schemes and products that better meet customer marketing needs, the ability to attract more investment from customers, and the impact of the DouYin projects which contributed to the substantial growth in revenue for our digital marketing services.

Revenue from marketing services is recognised over the period of time when the related services are rendered according to the progress of completion as stipulated under the agreements. Revenue would be recognised when we deliver the services to our customers and will continue to be recognised until all promised services are delivered.

Revenue and Costs

During the Reporting Period, the cost of our revenue amounted to approximately RMB1,663,085,000, a YoY growth of approximately 54.8% (approximately RMB1,074,194,000 in the same period in 2023).

Marketing Services Costs

The costs of marketing services mainly include media advertising resources costs, production costs, equipment rental costs, employee costs, SaaS costs and other costs.

The following table sets out a breakdown of the cost of revenue of marketing services and products for the years indicated, in terms of amount and as a proportion to the cost from marketing services.

	For the year ended 31 December				
	2024		2023		Change (+/(-))
	RMB'000	%	RMB'000	%	%
Media advertising resources costs	1,605,109	96.5	976,604	90.9	64.4
Production costs	19,137	1.2	53,626	5.0	(64.3)
Equipment rental costs	1,347	0.1	2,189	0.2	(38.5)
Staff costs	14,474	0.9	9,966	0.9	45.2
SaaS costs	19,525	1.2	27,445	2.6	(28.9)
Other costs	3,493	0.2	4,364	0.4	(20.0)
Total	<u>1,663,085</u>	<u>100.0</u>	<u>1,074,194</u>	<u>100.0</u>	<u>54.8</u>

During the Reporting Period, the cost of revenue of marketing services reached approximately RMB1,663,085,000, a YoY growth of approximately 54.8% (approximately RMB1,074,194,000 in the same period in 2023). This is mainly due to the increase in revenue from digital marketing DouYin projects in this period, which led to a YoY rise in media advertising resources costs.

Gross Profit

The following table sets out the analysis of gross profit with respective gross profit margins, breakdown by type of revenue, for the reporting periods indicated.

	For the year ended 31 December				Change (+/(-))
	2024		2023		
		Gross		Gross	
	profit margin	profit margin			
	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>	<i>%</i>
Marketing services	<u>127,689</u>	<u>7.1</u>	<u>117,846</u>	<u>9.9</u>	<u>8.4</u>

During the Reporting Period, our total gross profit reached approximately RMB127,689,000, a YoY increase of approximately 8.4% (approximately RMB117,846,000 in the same period in 2023). The increase in the gross profit of the Company's marketing services was mainly due to a YoY increase in the gross profit of our cooperation with TikTok as its first-tier agent.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) salaries and benefits of marketing and technical support personnel; (ii) business entertainment and travel expenses, principally including business entertainment, accommodation and travel expenses; (iii) amortisation and depreciation, mainly referring to the depreciation of equipment, automobiles, leased property renovation, and leased right-of-use assets and the amortisation of computer software; and (iv) other expenses, including advertising and promotional expenses, property management fees, office expenses and local transportation expenses. During the Reporting Period, our selling and marketing expenses reached approximately RMB53,109,000, a YoY increase of approximately 741.8% (approximately RMB6,309,000 in the same period in 2023). This is mainly due to the increase in advertising and promotional expenses incurred by the Company.

Administrative Expenses

Administrative expenses primarily include: (i) employee costs and benefits, principally including administrative, employee salaries and training expenses; (ii) legal and professional fees, mainly referring to legal and professional fees incurred in connection with the Group's business operation; (iii) amortisation and depreciation, primarily referring to the depreciation of equipment, vehicles, and renovation of our leased properties, and leased right-of-use assets and the amortisation of computer software; (iv) research and development (“**R&D**”) costs, principally referring to the salaries of R&D employees of content engine; (v) other taxes, mostly consisting of urban maintenance and construction taxes and stamp taxes; and (vi) other expenses. During the Reporting Period, our general and administrative expenses amounted to approximately RMB20,099,000, a YoY decrease of approximately 16.6% (approximately RMB24,104,000 in the same period in 2023). This is mainly due to the decrease in R&D expenses during the Reporting Period.

Provision for Impairment Loss on Trade Receivables and Other Financial Assets during the Reporting Period

During the Reporting Period, our provision for impairment loss on trade receivables and other financial assets was approximately RMB128,837,000, representing an increase of approximately 96.4% YoY (approximately RMB65,607,000 in the same period in 2023). Such an increase was primarily due to the fact that significant growth in revenue was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts during the Reporting Period.

Other Revenue

The following table provides a breakdown of components of other revenue for the years indicated:

	For the year ended 31 December		
	2024 (RMB'000)	2023 (RMB'000)	Change (+/(-)) %
Government subsidies	6,317	4,443	42.2
Bank interest income	46	418	(89.0)
Interest income on other financial assets	379	997	(62.0)
Additional value-added tax input deduction	970	4,636	(79.1)
Others	37	34	8.8
Total	<u>7,749</u>	<u>10,528</u>	<u>(26.4)</u>

During the Reporting Period, our other revenue amounted to approximately RMB7,749,000, representing a YoY decrease of approximately 26.4% (the same period in 2023: approximately RMB10,528,000), mainly due to the expiration of the additional value-added tax input deduction policy during the Reporting Period.

Other Gains and Losses

During the Reporting Period, our other losses amounted to approximately RMB11,577,000 (other gains of approximately RMB642,000 in 2023). Such a turnaround was mainly due to the write-off losses of intangible assets incurred by the Company during the Reporting Period.

Finance Costs

Finance costs primarily comprise (i) interest expense on bank borrowings; (ii) interest expense on third-parties' loans; and (iii) interest expenses on lease liabilities.

During the Reporting Period, our finance costs reached approximately RMB3,208,000, a YoY increase of approximately 7.6% (approximately RMB2,981,000 in the same period in 2023). Such increase was largely attributed to the additional borrowings made during the Reporting Period.

(Loss)/profit before Income Tax

As a result of the above, our loss before income tax for the year ended 31 December 2024 stood at approximately RMB189,299,000, representing a YoY decrease of approximately 730.7% (profit before income tax of approximately RMB30,015,000 in the same period in 2023).

Income Tax Credit

During the Reporting Period, our income tax credit was approximately RMB3,727,000, a YoY increase of approximately 22.6% (approximately RMB3,040,000 in the same period in 2023).

This was mainly due to the deferred income tax recognised in tandem with the increase in trade receivables during the Reporting Period. The actual tax rates (income tax expense/profit before income tax) for 2024 and 2023 were 2.0% and -10.1%, respectively.

Net (Loss)/profit and Net (Loss)/profit Margin

During the Reporting Period, the Group's net loss was RMB185,572,000, representing a YoY decrease of approximately 661.4% (net profit approximately RMB33,055,000 in the same period of 2023), with a net loss margin of 10.4% (net profit margin of 2.8% in the same period of 2023). This was mainly due to the provisions for impairment loss on trade receivables and provision for impairment loss on intangible assets recognised during the Reporting Period.

Non-HKFRS Measurement

To complement the consolidated annual results presented in accordance with HKFRS, we have also used EBITDA (i.e. earnings before interest, taxes, depreciation and amortisation), adjusted EBITDA and adjusted net profit, which are not required by or presented in accordance with HKFRS, as additional financial measures. We believe that these non-HKFRS measurement tools can eliminate the potential impact of items that the management considers cannot reflect our operating performance, which is conducive to the comparison of operating performance across years and companies. We believe that these measurement tools provide investors and others with useful information to understand and evaluate our consolidated results of operation in the same manner as the management. However, the EBITDA, adjusted EBITDA and adjusted net profit presented by us are not necessarily comparable to similar measurement tools presented by other companies. These non-HKFRS measurement tools have limitations as analytical tools and should not be considered independent of or as a substitute for our analysis of results of operation or financial conditions presented in accordance with HKFRS.

EBITDA and Adjusted EBITDA

We added back provision for impairment on intangible assets, write-off losses of intangible assets to EBITDA to obtain adjusted EBITDA. The following table sets out a reconciliation of EBITDA and adjusted EBITDA for the years indicated:

	For the year ended 31 December		
	2024	2023	Change (+/(-))
	<i>RMB'000</i>	<i>RMB'000</i>	%
EBITDA and adjusted EBITDA			
(Loss)/profit before income tax expense	(189,299)	30,015	(730.7)
Interest income	(425)	(1,415)	(70.0)
Interest expense	3,208	2,981	7.6
Earnings before interest and taxes	(186,516)	31,581	(690.6)
Add:			
Depreciation of right-of-use assets	2,688	2,876	(6.5)
Depreciation of property, plant and equipment	519	693	(25.1)
Amortisation of intangible assets	17,794	15,567	14.3
EBITDA	(165,515)	50,717	(426.4)
Add:			
Provision for impairment on intangible assets	107,841	–	N/A
Write-off losses of intangible assets	13,400	–	N/A
Adjusted EBITDA	(44,274)	50,717	(187.3)

Adjusted net (loss)/profit

The following table sets out a reconciliation of net (loss)/profit and adjusted net (loss)/profit for the years indicated:

	For the year ended 31 December		
	2024	2023	Change (+/(-))
	<i>RMB'000</i>	<i>RMB'000</i>	%
Reconciliation of net (loss)/profit to adjusted net (loss)/profit			
Net (loss)/profit for the year	(185,572)	33,055	(661.4)
Provision for impairment on intangible assets	107,841	–	N/A
Write-off losses of intangible assets	13,400	–	N/A
	<u> </u>	<u> </u>	<u> </u>
Adjusted net (loss)/profit	<u>(64,331)</u>	<u>33,055</u>	<u>(294.6)</u>

Reserves and Capital Structure

As of 31 December 2024, the Group's total equity was RMB482,405,000 (as of 31 December 2023: RMB578,016,000), which comprised share capital of RMB123,000 (as of 31 December 2023: RMB72,000) and reserves of RMB480,850,000 (as of 31 December 2023: RMB576,443,000). This was primarily due to the public offering during the period and the net (loss)/profit for the year.

LIQUIDITY AND FINANCIAL SOURCES

The Group's operations were primarily financed through its operating activities. The Group derived its cash inflow from operating activities primarily through the receipt of payments from the customers in relation to the integrated marketing solutions services. The Group's cash outflows from operating activities primarily comprised payments for media advertising resources costs and operating expenses.

As of 31 December 2024, the Group's total current assets and current liabilities were RMB744,963,000 (as of 31 December 2023: RMB579,342,000) and RMB348,731,000 (as of 31 December 2023: RMB196,613,000), respectively, while the current ratio was 2.2 times (as of 31 December 2023: 2.9 times). The total current assets increased, primarily due to the rise in trade receivables. As of 31 December 2024, the Group had a cash and bank balance amounting to RMB21,281,000 (as of 31 December 2023: RMB26,131,000).

As of 31 December 2024, the bank loan of the Group was RMB73,123,000. The Group's gearing ratio (which equals to total debt divided by total capital plus total debt, where total debt includes borrowings, lease liabilities, amounts due to investors, amounts due to directors, and amounts due to related parties, and capital includes equity attributable to owners of the Company) was 15.0% as at 31 December 2024 (31 December 2023: 9.1%).

CAPITAL EXPENDITURES AND COMMITMENT

Our capital expenditures primarily consist of (i) property, plant and equipment, which primarily consisted of computer equipment, office equipment, automobiles, and leasehold improvement in relation to renovation expenses for our properties; (ii) right-of-use assets, which primarily consisted of our property leases; and (iii) intangible assets, which primarily consisted of copyright licences and purchased software, among others.

As of 31 December 2024, our capital expenditure was approximately RMB35,605,000. The following table sets out our capital expenditures for the years indicated:

	31 December 2024 <i>(RMB'000)</i>
(1) Fixed assets (including computer equipment, office equipment, automobiles and office leasehold improvement)	613
(2) Intangible assets (including our trademarks, software copyrights, purchased software, self-developed software and building construction design)	32,267
(3) Right-of-use assets	<u>2,725</u>
Total	<u><u>35,605</u></u>

As of 31 December 2024, the Group had a total capital commitment of nil (31 December 2023: RMB11,090,000), contracted for but not provided for in the consolidated financial statements in respect of the property, plants, and equipment.

CONTINGENT LIABILITIES

As of 31 December 2024, we did not have any unrecorded significant contingent liabilities, guarantees, or any litigation against us.

FOREIGN CURRENCY RISK MANAGEMENT

We conduct our business operations primarily in China, settle most of our transactions in RMB, and are exposed to foreign currency risks from various currency exposures, primarily with respect to U.S. dollars and Hong Kong dollars. During the Reporting Period, we did not hedge our foreign exchange risks through any long-term contracts, monetary borrowings or other means.

The Group adopted a prudent approach toward its treasury policies. Our treasury function mainly involves the management of our cash flows. Cash is mainly deposited in banks in Renminbi for working capital purposes. We did not have any material holding in financial securities or foreign exchange (except for business purposes) during the Reporting Period.

CREDIT RISK

Credit risk mainly arises from trade receivables and contractual assets. We have policies in place to ensure that our services are provided to customers with an appropriate credit history. We also have other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management will regularly review the recoverable amount of individual receivables based on customers' financial condition, our historical experience, and other factors to ensure that sufficient provision for impairment losses is made for the irrecoverable amount.

ASSETS PLEDGED

As of 31 December 2024, we did not pledge any assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 30 April 2024, Xiamen Instant Interactive Culture Communication Co., Ltd. (Xiamen Instant Interactive), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement (the “**Agreement**”) with Anhui Ziyuan Holding Co., Ltd. (“**Anhui Ziyuan**”) and Tongxiang Kuntai Equity Investment Fund Management Co., Ltd. (“**Tongxiang Kuntai**”). Accordingly, the Parties have agreed to establish a partnership (the “**Partnership**”) with the Group holding a 19.9996% equity stake in the Partnership. During the Reporting Period, Xiamen Instant Interactive contributed RMB2,000,000 as the registered capital of the Partnership. The Company intends to implement its investment plan in cooperation with Anhui Ziyuan and Tongxiang Kuntai through the establishment of a partnership. Based on the progress of the investment plan, the Company will consider further increasing its investment in the Partnership when necessary and appropriate.

Save as disclosed above, as of 31 December 2024, the Group had no significant investments, material acquisitions, or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As of 31 December 2024, save for the disclosure made in the prospectus of the Company dated 28 October 2022, the Group did not have any plan for significant investments or capital assets.

EMPLOYEES

As of 31 December 2024, we had a total of 131 employees.

Our success depends on our ability to attract, retain and motivate qualified personnel. We provide our employees with various incentives and benefits. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. Employees’ remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by our Board from time to time.

In accordance with the regulations of the PRC, we participate in various social security plans for employees organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefits plans.

To maintain the quality, knowledge and skills of our employees, we strive to enhance their technical, professional or managerial skills by providing continuing education and training courses (including internal and external training courses) to them. We also provide training courses to our employees from time to time to ensure that they are fully aware of and comply with our policies and procedures.

During the Reporting Period, the total staff cost including remuneration, other employee benefits and contributions to retirement schemes for Directors and other staff of the Group amounted to RMB25,917,000 (the same period in 2023: RMB22,643,000). The increase in staff cost was mainly due to the fluctuations in number of personnel.

USE OF PROCEEDS

The net proceeds from the listing (“**Net Proceeds**”), after deducting the underwriting fees and other related expenses in connection with the listing, was approximately HKD267.30 million.

On 14 December 2023, the Board resolved to reallocate the unutilised Net Proceeds, changing the intended use of approximately HKD51.6 million (accounting for approximately 19.3% of the Net Proceeds and 53.3% of the unutilised Net Proceeds) to establish a joint venture, in order to further advance the Company’s business strategy disclosed in the prospectus, which is in the overall best interests of the Company and its shareholders.

The following table sets out the utilisation of the net proceeds as of 31 December 2024:

	Percentage of Net Proceeds	Net Proceeds from Global Offering <i>HKD Million</i>	Utilised Balance as of 31 December 2024 <i>HKD Million</i>	Unutilised Balance as of 31 December 2024 <i>HKD Million</i>	Expected Timeline of Utilisation
Enhancing SaaS interactive marketing platform research and development	14.7%	39.2	39.2	–	N/A
Scaling up our IP contents portfolio and expanding our integrated marketing solutions business	44.5%	119	119	–	N/A
Investment in the expansion of our geographical coverage and customer base	16.0%	42.7	42.7	–	N/A
Joint venture establishment	19.3%	51.6	51.6	–	N/A
Working capital and general corporate use	5.5%	14.8	14.8	–	N/A
Total	100.0%	267.3	267.3	–	

EQUITY FUND RAISING IN THE LAST TWELVE MONTHS

In the twelve months prior to the date of this announcement, we have carried out the following equity fund raising activities:

On 28 December 2023, the Group announced its intention to offer a total of 400,000,000 shares at a price of HK\$0.15 per share to the stock market, on the basis of one open offer share for every two existing shares held. The offer price of HK\$0.15 per open offer share represented (i) a discount of approximately 34.50% over the closing price of HK\$0.229 per share as quoted on the Stock Exchange on the date of the underwriting agreement and the placing agreement; and (ii) a discount of approximately 31.19% over the average of the closing prices per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the last trading day of approximately HK\$0.218. For details, please refer to the prospectus of the Company dated 21 March 2024. The net proceeds from the open offer, after deducting all related subscription costs and expenses, amounted to approximately HK\$53 million. The net price per open offer share was approximately HK\$0.1325.

The following table sets out the utilisation of the net proceeds from the open offer ended 31 December 2024.

	Percentage of Net Proceeds from the open offer	Net Proceeds from the open offer <i>HKD Million</i>	Utilised Amount as of 31 December 2024 <i>HKD Million</i>	Unutilised Amount as of 31 December 2024 <i>HKD Million</i>	Expected Timeline of Utilisation
Purchasing media resources (in particular online traffic from DouYin) for advertising by the Group's customers through the new DouYin distribution channel and promoting the DouYin distribution channel	90%	47.7	47.7	–	N/A
General working capital	10%	5.3	5.3	–	N/A
Total	<u>100%</u>	<u>53.0</u>	<u>53.0</u>	<u>–</u>	

On 15 June 2024, the Board announced that the Company (as issuer) entered into two subscription agreements (the “**2024 Subscription Agreements**”) with two subscribers (the “**2024 Subscribers**”) in respect of the subscriptions (the “**2024 Subscriptions**”) of an aggregate of 160,000,000 subscription shares (the “**2024 Subscription Shares**”) at the subscription price of HK\$0.25 per Share (the “**2024 Subscription Price**”). The 2024 Subscription Price of HK\$0.25 per Share: (i) represented a discount of approximately 1.96% as compared to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the last trading day immediately prior to the date of the 2024 Subscription Agreements; and (ii) represented a premium of approximately 8.7% to the average of the closing prices of approximately HK\$0.23 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the last trading day immediately prior to the date of the 2024 Subscription Agreements. The 2024 subscriptions completed on 15 July 2024. The gross proceeds of the 2024 Subscriptions was HK\$40.0 million. After deducting all applicable costs and expenses of the 2024 Subscriptions, the net proceeds from the 2024 Subscriptions was approximately HK\$39.9 million and a net issue price of approximately HK\$0.249 per 2024 Subscription Share. The Company intended to apply the net proceeds from the 2024 Subscription as to approximately 75.19% (equivalent to approximately HK\$30,000,000) thereof for purchasing of media resources, in particular, the DouYin Distribution Channel, and promotion of the DouYin Distribution Channel. The remaining of approximately 24.81% (equivalent to approximately HK\$9,900,000) of the net proceeds was allocated for general working capital of the Group.

The following table sets out the utilisation of the net proceeds from the 2024 Subscriptions ended 31 December 2024:

	Percentage of Net Proceeds from the 2024 Subscriptions	Net Proceeds from the 2024 Subscriptions <i>HKD Million</i>	Utilised Amount as of 31 December 2024 <i>HKD Million</i>	Unutilised Amount as of 31 December 2024 <i>HKD Million</i>	Expected Timeline of Utilisation
Purchasing media resources (in particular online traffic from DouYin) and promoting the DouYin distribution channel	90%	30	30	–	N/A
General working capital	10%	9.9	9.9	–	N/A
Total	100%	39.9	39.9	–	

All the above proceeds were utilised as of 31 December 2024.

On 14 March 2025, the Board announced that the Company (as issuer) entered into six subscription agreements (the “**2025 Subscription Agreements**”) with six subscribers (the “**2025 Subscribers**”) in respect of the subscriptions (the “**2025 Subscriptions**”) of an aggregate of 12,000,000 subscription shares (the “**2025 Subscription Shares**”) at the subscription price of HK\$3.10 per Share (the “**2025 Subscription Price**”). Each of the 2025 Subscribers is an independent private investor.

The gross proceeds of the 2025 Subscriptions will be HK\$37.2 million. The net proceeds from the 2025 Subscriptions (after deducting all applicable costs and expenses of the 2025 Subscriptions) will be approximately HK\$37.1 million and a net issue price of approximately HK\$3.09 per 2025 Subscription Share. The Group intends to use the proceeds from the 2025 Subscriptions for (i) purchasing media resources, in particular, the Douyin Distribution Channel, and promotion of the Douyin Distribution Channel; and (ii) general working capital.

	Approximate allocation <i>(in HK\$ million)</i>	Expected time of usage
Purchasing media resources, in particular, the online traffic from Douyin and promotion of the Douyin		
Distribution Channel	33.39	On or before 31 December 2025
General working capital	3.71	On or before 31 December 2025
	<hr/>	
Total	<u><u>37.10</u></u>	

For details, please refer to the announcement of the Company dated 14 March 2025. As at the date of this announcement, the 2025 Share Subscription has not completed.

MAJOR EVENTS AFTER THE REPORTING PERIOD

On 6 January 2025, the Group announced a proposed consolidation of shares, increase in the authorised share capital, and amendment of the board lot size, whereby every twenty (20) existing issued and unissued shares of par value HKD0.0001 each will be consolidated into one (1) consolidated share of par value HKD0.002. Following the completion of the share consolidation, the Company's authorised share capital will amount to HKD1,000,000 (divided into 500,000,000 consolidated shares of par value HKD0.002 each). To enhance the Company's flexibility in raising funds in the future, the Group intends to issue an additional 500,000,000 consolidated shares, increasing the Company's authorised share capital from HKD1,000,000 (divided into 500,000,000 consolidated shares of par value HKD0.002 each) to HKD2,000,000 (divided into 1,000,000,000 shares of par value HKD0.002 each). The board lot size for trading on the Stock Exchange was also changed from 2,000 existing shares to 1,000 consolidated shares.

The following table sets out the impact of the share consolidation and increase in the authorised share capital on the Company's share capital before and after the implementation of the share consolidation and increase in the authorised share capital:

	Immediately prior to the completion of share consolidation	Immediately after the share consolidation as at 12 February 2025	Immediately after the share consolidation and increase in the authorised share capital
Authorised share capital	HKD1,000,000 (divided into 10,000,000,000 existing shares)	HKD1,000,000 (divided into 500,000,000 consolidated shares)	HKD2,000,000 (divided into 1,000,000,000 consolidated shares)
Issued and paid or credited as paid share capital	HKD136,000 (divided into 1,360,000,000 existing shares)	HKD136,000 (divided into 68,000,000 consolidated shares) <i>(Note)</i>	HKD136,000 (divided into 68,000,000 consolidated shares) <i>(Note)</i>
Unissued share capital	HKD864,000 (divided into 8,640,000,000 existing shares)	HKD864,000 (divided into 432,000,000 consolidated shares) <i>(Note)</i>	HKD1,864,000 (divided into 932,000,000 consolidated shares) <i>(Note)</i>

On 14 March 2025, the Board announced that the Company (as issuer) entered into six 2025 Subscription Agreements with six 2025 Subscribers in respect of the 2025 Subscriptions of an aggregate of 12,000,000 2025 Subscription Shares at the 2025 Subscription Price of HK\$3.10 per Share. Each of the 2025 Subscribers is an independent private investor. For details, please refer to the announcement of the Company dated 14 March 2025.

Save as disclosed, there was no significant event after the Reporting Period and up to the date of this announcement.

PURCHASE, SALE, OR REDEMPTION OF THE SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries acquired, sold or redeemed any of its listed securities (including sale of treasury shares). As of 31 December 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE CODE

The Board is committed to the practice of good corporate governance measures.

The Board believes that good corporate governance measures are essential to provide the Company with a framework to safeguard shareholders' equity, enhance corporate value, develop business strategies and policies, and improve transparency and accountability.

The Company has adopted and applied the provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. So far as the Directors are aware, our Company has complied with all applicable code provisions under the CG Code during the Reporting Period except for provision C.2.1 of the CG Code set out below.

The roles of chairman and chief executive should be separate and not held by the same person. Mr. Liu currently holds two positions. Since the establishment of the Group in 2012, Mr. Liu has been a key leader of the Group and has been deeply involved in the formulation of the Group’s business strategy and decisions on its overall direction. He is also primarily responsible for the Group’s operations. Given the continued implementation of the Group’s business plan, the Directors of the Group (including the Group’s independent non-executive Directors) consider Mr. Liu to be the best candidate for these two positions and that the current arrangement is beneficial to and in the interest of our Company and shareholders as a whole. The Board of the Group will continuously review and monitor its corporate governance measures to ensure compliance with the CG Code.

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as a code of conduct for our Directors to conduct trading of securities. Our Company has been following the Model Code since the listing date. No incident of non-compliance of the Model Code by the Directors and relevant employees was noted during the Reporting Period. Our Company continues to ensure compliance with the code of conduct. Our Company has made specific enquiries to all of its Directors, who have confirmed that they have implemented and complied with the standards set out in the Model Code during the Reporting Period.

FINAL DIVIDEND

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

AUDIT COMMITTEE

The Company has established an audit committee and developed written terms of reference in accordance with Rule 3.21 to 3.23 of the Listing Rules and CG Code. The Audit Committee comprises three members, being Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao. The Audit Committee is chaired by Ms. Wong Yan Ki, Angel, who has appropriate professional qualifications as an independent non-executive director.

The Audit Committee has reviewed the consolidated financial statements of the Group and the accounting principles and policies adopted by the Group for the year ended 31 December 2024 with the management of the Company and met with the independent auditor, BDO Limited.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an audit, review or other 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. Consequently, no assurance has been expressed by the auditor on this announcement.

SUFFICIENT PUBLIC FLOAT

Based on the publicly available information of the Company and to the best knowledge of our Directors, as at the date of this announcement, the Company has maintained the required percentage of public float under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 27 June 2025 (the “AGM”). Notice of the AGM will be published and dispatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both dates inclusive), during that period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 23 June 2025 for registration.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company’s website (www.manyidea.cloud) and the Stock Exchange’s website (www.hkexnews.hk). The annual report for the year ended 31 December 2024 will be published on the websites of the Stock Exchange and the Company and will be dispatched (if requested) to the shareholders of the Company in due course.

By order of the Board
Many Idea Cloud Holdings Limited
Liu Jianhui
Chairman of the Board

Hong Kong, 21 March 2025

As at the date of this announcement, the Board comprises Mr. Liu Jianhui, Ms. Qu Shuo, Mr. Chen Shancheng and Mr. Chen Zeming as executive Directors, Ms. Liu Hong as the non-executive Director, and Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin as independent non-executive Directors.