多想雲
MANY IDEA CLOUD

2023
ANNUAL REPORT

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

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Liu Jianhui *(Chairman of the Board and Chief Executive Officer)*
Ms. Qu Shuo
Mr. Chen Shancheng
Mr. Chen Zeming
Ms. Huang Tingting (resigned on 29 March 2023)

Non-executive Director

Ms. Liu Hong (appointed on 10 January 2024)

Independent Non-executive Directors

Ms. Wang Yingbin
Ms. Wong Yan Ki, Angel
Mr. Tian Tao
Ms. Xiao Huilin (appointed on 15 February 2023)

COMPANY SECRETARY

Ms. Tang Wing Shan Winza (resigned on 26 February 2024)
Ms. Chan Yuen Mui (appointed on 26 February 2024)

AUTHORISED REPRESENTATIVES

Mr. Liu Jianhui
Ms. Tang Wing Shan Winza (resigned on 26 February 2024)
Ms. Chan Yuen Mui (appointed on 26 February 2024)

AUDIT COMMITTEE

Ms. Wong Yan Ki, Angel *(Chairperson)*
Ms. Wang Yingbin
Mr. Tian Tao

REMUNERATION COMMITTEE

Ms. Wang Yingbin *(Chairperson)*
Ms. Wong Yan Ki, Angel
Mr. Tian Tao

NOMINATION COMMITTEE

Mr. Tian Tao *(Chairperson)*
Ms. Wang Yingbin
Ms. Wong Yan Ki, Angel

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

PRINCIPAL BANKER

Shanghai Pudong Development Bank Co., Ltd.
Xiamen Guanyinshan Sub-branch
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No. 161 Taidong Road
Siming District, Xiamen, Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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19 Des Voeux Road Central
Central
Hong Kong

HEADQUARTER IN THE PRC

12/F, ERKE Group Mansion
11 Guanyin Shan
Hualian Road
Siming District
Xiamen
Fujian Province
PRC

AUDITOR

BDO Limited
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

HONG KONG LEGAL ADVISER

WAN & TANG
2408, World-Wide House
19 Des Voeux Road Central
Central
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ogier Global (Cayman) Limited
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Grand Cayman, KY1-9009
Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPLIANCE ADVISER

Zhongtai International Capital Limited
19/F, Li Po Chun Chambers
189 Des Voeux Road Central
Central
Hong Kong

COMPANY WEBSITE

www.manyidea.cloud

STOCK CODE

6696

FINANCIAL HIGHLIGHTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/ (PROFIT OR LOSS)

	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)	2020 (RMB'000)	2019 (RMB'000)
Revenue	**1,192,040**	498,329	353,300	308,377	391,038
Gross profit	**117,846**	179,630	114,536	74,642	129,347
Profit before income tax expense	**30,015**	90,731	79,368	36,944	98,595
Profit for the year	**33,055**	67,700	64,741	31,784	80,024
Adjusted EBITDA *(Note 1)*	**50,717**	138,573	100,676	41,204	103,693
Adjusted net profit *(Note 1)*	**33,055**	89,883	73,396	31,784	80,024
Profitability ratios					
Gross profit margin *(Note 2)*	**9.9%**	36.0%	32.4%	24.2%	33.1%
Net profit margin *(Note 3)*	**2.8%**	13.6%	18.3%	10.3%	20.5%
Return on equity *(Note 4)*	**5.7%**	12.5%	36.9%	11.5%	32.9%

Notes:

1. Adjusted EBITDA and adjusted net profit are calculated based on the net profit for the year before listing expenses for the listing of the Company's shares on the Main Board of the Hong Kong Stock Exchange (the "Listing").

2. Gross profit for the year divided by revenue for the year and multiplied by 100%.

3. Profit for the year divided by revenue for the year and multiplied by 100%.

4. Return on equity ratio is calculated by dividing profit for the year attributable to the owners of the Company by total equity attributable to the owners of the Company as at year end and multiplying 100%.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)	2020 (RMB'000)	2019 (RMB'000)
Assets					
Non-current assets	195,687	135,562	101,977	19,313	21,301
Current assets	579,342	580,990	247,762	352,162	290,067
Total assets	775,029	716,552	349,739	371,475	311,368
Liabilities					
Non-current liabilities	400	859	4,018	5,665	11,018
Current liabilities	196,613	170,833	192,212	89,958	56,795
Total liabilities	197,013	171,692	196,230	95,623	67,813
Equity					
Equity attributable to owners of the Company	576,515	543,347	151,972	229,288	202,443
Non-controlling interests	1,501	1,513	1,537	46,564	41,112
Total equity	578,016	544,860	153,509	275,852	243,555
Total equity and liabilities	775,029	716,552	349,739	371,475	311,368
Asset and working capital data					
Current ratio (times) *(Note 5)*	2.9	3.4	1.3	3.9	5.1
Gearing ratio *(Note 6)*	9.1%	11.9%	47.5%	19.6%	6.9%
Return on total assets *(Note 7)*	4.3%	9.5%	16.1%	7.1%	21.4%

Notes:

5. Current ratio is total current assets divided by total current liabilities as at year end.

6. Gearing ratio is total debt divided by total capital plus total debt. Total debt is calculated as borrowings, lease liabilities, amount due to a director, amounts due to related parties and convertible bonds. Capital includes equity attributable to owners of the Company.

7. Return on total assets ratio is calculated by dividing profit for the year attributable to the owners of the Company by total assets as at year end and multiplying 100%.

CONSOLIDATED FINANCIAL DATA

In 2023, the Group achieved a revenue of RMB1,192,040,000, a year-on-year increase (YoY) of 139.2%, and an adjusted net profit of RMB33,055,000, a YoY growth of 63.2%.

REVENUE FROM INTEGRATED MARKETING SERVICES

In 2023, the Group's revenue from integrated marketing services amounted to RMB1,158,378,000, a YoY rise of 156.9%, making up 97.2% of the Group's total revenue.

REVENUE FROM SAAS INTERACTIVE MARKETING SERVICES

In 2023, the Group's revenue from SaaS interactive marketing services amounted to RMB33,662,000, a YoY decrease of 29.1%, representing 2.8% of the Group's total revenue.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The year 2023 was a more difficult year than usual, proving to be the most challenging for many enterprises. While the disruptions caused by multiple factors such as macro-economy and COVID-19 were behind us, they brought us new challenges. At this stage, they compelled us to rethink and strive for greater improvements. During this year, customers demanded high levels not only in terms of brands but also the comprehensive ability of e-commerce and effect. To meet the diverse needs of our customers, we have closely followed market trends and intensified our collaboration with the vertical social media platform – TikTok, aiming to reduce customer acquisition costs and achieve multi-channel sales growth objectives, further transform our corporate group into a domestic leading one-stop marketing service provider integrating products and efficiency. We firmly believe that Many Idea Cloud will achieve better results regardless of the changing landscape.

REVIEW

In 2023, our overall revenue performance has been robust, with a continuous increase in revenue from major customers. We have also been recognised as a nationwide first-class agent of Ocean Engine. Leveraging our strong foundation in traffic investment, we have enhanced our live streaming capabilities, expanded our operations on TikTok, and rated as a two-star service provider for Ocean Engine Shopping Ads. In 2023, we have not only possessed the capacity for integrated marketing services but also excelled in content e-commerce. Through our capabilities in live streaming operation, short video recommendation, KOL distribution comprehensive e-commerce operation, we have assisted customers in reducing customer acquisition costs and achieving sales targets.

OUTLOOK

In 2024, we will focus our efforts on the following areas: continuously prioritizing social media, enhancing optimisation capabilities, improving industry professionalism, continuously reducing costs and increasing efficiency, and improving overall operational capabilities by leveraging AI technology and focusing on the industry. We will further leverage the platforms of listed companies and the advantages of investment funds to integrate more upstream and downstream resources, thereby strengthening our comprehensive competitiveness.

APPRECIATION

In the future, we will take technology as the core and truly realise AI-enabled integrated marketing for enterprises, achieving marketing and capital empowerment, and online and offline dual drive. I would like to take this opportunity to express our most sincere gratitude towards all of the Group's shareholders, investors, and business partners for their full trust in and support of the Group. I would like to thank all my colleagues on the Board, the management, and all employees for their unremitting efforts and contributions to the Group. In the future, we will strive to maintain the development momentum of the Group and seek stable returns for the shareholders.

Many Idea Cloud Holdings Limited
Chairman of the Board of Directors
Liu Jianhui
20 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Industry review

In the ever-changing year of 2023, 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 behavior, 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, 2023 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 2023, we have shown steady performance in overall revenue, with the proportion of income from major customers continuously increasing. We also attained the status of a national first-class agent for Ocean Engine (巨量引擎). Leveraging excellent traffic investment skills, we continuously improved our live streaming capabilities, constantly expanded our operations on TikTok, and were recognised as a two-star service provider of Ocean Qianchuan (巨量千川). In 2023, based on capabilities of previously existing integrated marketing services (consisting of (i) content marketing services, (ii) digital marketing services, (iii) public relations event planning services, and (iv) media advertising services) along with capabilities of Software as a Service (the "SaaS") interactive marketing services, we also developed capabilities of content e-commerce effect cases, assisting customers in reducing customer acquisition costs and boosting sales around TikTok ecosystem through live streaming operation, short video recommendation, and KOL distribution comprehensive e-commerce operation.

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 Award Innovation – Gold Award (科睿創新獎金).

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 with which we have developed a stable business relationship.

BUSINESS REVIEW AND OUTLOOK (Continued)

Prospects and outlook

Looking to the future, with the effective control of the pandemic, 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 a 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.

BUSINESS REVIEW AND OUTLOOK (Continued)

Prospects and outlook

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 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 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 fast-moving consumer goods, footwear and apparel and real estate industries. Our total revenue consists of revenue from integrated marketing solution services and revenue from SaaS interactive marketing services. Our integrated marketing solution services consist of four types of marketing services, namely (i) content marketing; (ii) digital marketing; (iii) public relations event planning; and (iv) media advertising.

During the Reporting Period, our total revenue amounted to approximately RMB1,192,040,000, a year-on-year ("YoY") increase of approximately 139.2% (approximately RMB498,329,000 in 2022), mainly due to a rise in revenue resulting from our persistent business expansion efforts and improved reputation among existing and potential customers as well as the launch of new TikTok businesses during the Reporting Period.

Revenue

During the Reporting Period, our total revenue reached approximately RMB1,192,040,000, a YoY growth of approximately 139.2% (approximately RMB498,329,000 in the same period in 2022).

The following table sets out a breakdown of our total revenue for the years indicated. For the year ended 31 December 2023, revenue from integrated marketing services increased by approximately 156.9% YoY to approximately RMB1,158,378,000, accounted for approximately 97.2% of our total revenue. Revenue from SaaS interactive marketing services decreased by approximately 29.1% YoY to approximately RMB33,662,000, accounted for approximately 2.8% of the total revenue.

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	RMB'000	**%**	RMB'000	%	%
Revenue from integrated marketing services	**1,158,378**	**97.2**	450,850	90.5	156.9
Revenue from SaaS interactive marketing services	**33,662**	**2.8**	47,479	9.5	-29.1
Total	**1,192,040**	**100.0**	498,329	100.0	139.2

FINANCIAL REVIEW (Continued)

Revenue (Continued)

Integrated Marketing Services

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

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	RMB'000	%	RMB'000	%	%
Content marketing	315,113	27.2	273,176	60.6	15.4
Digital marketing	772,758	66.7	102,007	22.6	657.6
Media advertising	50,125	4.3	58,131	12.9	-13.8
Public relations event planning	20,382	1.8	17,536	3.9	16.2
Total	1,158,378	100.0	450,850	100.0	156.9

Revenue from content marketing services, digital marketing services, public relations event planning services and media advertising services are 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, such as delivery of design and advertising plans, and will continue to be recognised until all promised services are delivered.

During the Reporting Period, our revenue from integrated marketing services increased by approximately 156.9% YoY to approximately RMB1,158,378,000 (approximately RMB450,850,000 in 2022), accounted for approximately 97.2% of total revenue in 2023 and approximately 90.5% in 2022. The increase in total revenue from integrated marketing services 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 TikTok projects which contributed to the substantial growth in revenue for our digital marketing segment.

SaaS Interactive Marketing Services

For SaaS interactive marketing services, annual subscription fees are recognised over the year of subscription. For SaaS customised products, we recognise revenue when the products are delivered to our customers. For SaaS interactive marketing services where we engage SaaS agents to market and sell our SaaS products, as we regard our SaaS agents as our direct buyers, we recognise revenue generated from our SaaS agents for our SaaS interactive marketing services upon setting up and activating user accounts after deduction of the commission expenses paid or payable to such SaaS agents.

During the Reporting Period, our revenue from SaaS interactive marketing services decreased by approximately 29.1% YoY to approximately RMB33,662,000 (approximately RMB47,479,000 in 2022), accounted for approximately 2.8% of total revenue in 2023 and approximately 9.5% in 2022. The decline in revenue is mainly due to the fact that customers' demand for marketing tools has decreased and they still prefer customised services. Therefore, the input-output ratio may not necessarily be proportional. In addition, the market competition becomes more fierce, which led to a decrease in SaaS revenue.

FINANCIAL REVIEW (Continued)

Revenue and Costs

During the Reporting Period, the cost of our revenue amounted to approximately RMB1,074,194,000, a YoY growth of approximately 237.1% (approximately RMB318,699,000 in the same period in 2022).

Integrated Marketing Services

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

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

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	RMB'000	%	RMB'000	%	%
Media advertising resources costs					
– Marketing rights from IP content providers	103,286	9.9	72,271	24.1	42.9
– Costs of obtaining advertising resources from advertising media channels or their agents	863,857	82.5	166,048	55.3	420.2
– Other media technical and execution costs	9,461	0.9	9,791	3.3	-3.4
Subtotal	976,604	93.3	248,110	82.6	293.6
Production costs	53,626	5.1	41,324	13.8	29.8
Equipment rental costs	2,189	0.2	894	0.3	144.9
Staff costs	9,685	0.9	6,393	2.1	51.5
Other costs	4,364	0.4	3,739	1.2	16.7
Total	1,046,468	100.0	300,460	100.0	248.3

During the Reporting Period, the cost of revenue of integrated marketing services reached approximately RMB1,046,468,000, a YoY growth of approximately 248.3% (approximately RMB300,460,000 in the same period in 2022). This is mainly due to the increase in revenue from digital marketing TikTok projects in this period, which led to a YoY rise in media advertising resources costs.

FINANCIAL REVIEW (Continued)

Revenue and Costs (Continued)

SaaS Interactive Marketing Services

The cost of SaaS interactive marketing services revenue mainly includes SaaS costs. The following table sets out the breakdown of cost of SaaS interactive marketing services for the years indicated, which are presented in absolute amounts and as a proportion of SaaS interactive marketing services revenue respectively.

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	RMB'000	%	RMB'000	%	%
SaaS costs	27,445	99.0	17,566	96.3	56.2
Staff costs	281	1.0	673	3.7	-58.2
Total	27,726	100.0	18,239	100.0	52.0

During the Reporting Period, the cost of revenue of SaaS interactive marketing services amounted to approximately RMB27,726,000, a YoY growth of approximately 52.0% (approximately RMB18,239,000 in the same period in 2022). The main reason is that customers preferred customised services and the outsourcing cost of SaaS customisation has increased.

FINANCIAL REVIEW (Continued)

Gross Profit

The following table sets out the gross profit margin and its breakdown in absolute amounts by type of revenue for the years indicated.

	For the year ended 31 December				
	2023		2022		
	RMB'000	Gross profit margin (%)	RMB'000	%	Gross profit margin (%)
Integrated marketing services	111,910	9.7	150,390	33.4	-25.6
SaaS interactive marketing services	5,936	17.6	29,240	61.6	-79.7
Total	117,846	9.9	179,630	36.0	-34.4

During the Reporting Period, our total gross profit reached approximately RMB117,846,000, a YoY decrease of approximately 34.4% (approximately RMB179,630,000 in the same period in 2022). The gross profit from integrated marketing services was approximately RMB111,910,000, a YoY decrease of approximately 25.6% (approximately RMB150,390,000 in the same period in 2022). The gross profit of our SaaS interactive marketing service was approximately RMB5,936,000, representing a YoY decrease of approximately 79.7% (the same period in 2022: approximately RMB29,240,000). The integrated marketing business mainly included content marketing and the investment attraction of NetEase projects was unsatisfactory. Due to the complete lifting of the pandemic restrictions in 2023, the masses preferred offline sports events and paid more attention to health management. Customer brands also tended to place brand advertisements on offline sports events, so the gross profit was relatively reduced; and in terms of the SaaS business, the main reason is that the Company's SaaS cost is amortised by fixed intangible assets every month, so the decrease of revenue during the Reporting Period led to the decrease of gross profit margin.

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, largely including business entertainment, accommodation and travel expenses; (iii) amortization and depreciation, mainly referring to the depreciation of equipment, automobiles, leased property renovation, and leased right-of-use assets and the amortization of computer software; and (iv) other expenses, including property management fees, office expenses and local transportation expenses. During the Reporting Period, our selling and marketing expenses reached approximately RMB6,309,000, a YoY decrease of approximately 6.9% (approximately RMB6,778,000 in the same period in 2022). This is mainly due to the decrease in business entertainment expenses, which was caused by the Company's strengthening of expense control during the Reporting Period.

FINANCIAL REVIEW (Continued)

Administrative Expenses

Administrative expenses predominantly 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) amortization and depreciation, primarily referring to the depreciation of equipment, vehicles, and renovation of our leased properties, and leased right-of-use assets and the amortization 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 RMB24,104,000, a YoY decrease of approximately 21.0% (approximately RMB30,493,000 in the same period in 2022). The main reason is that the SaaS system in this period was relatively stable, so the number of R&D personnel in this period decreased and the corresponding salary also declined; In addition, after the Company went listed, the corresponding intermediary fees all decreased.

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 RMB65,607,000, representing an increase of approximately 164.1% YoY (approximately RMB24,844,000 in the same period in 2022). 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		
	2023	2022	Change (+/(-))
	RMB'000	RMB'000	%
Government subsidies	**4,443**	5,014	-11.4
Bank interest income	**418**	1,388	-69.9
Interest income on debt instruments measured at FVTOCI	**997**	70	1,324.3
Additional value added tax input deduction	**4,636**	2,696	72.0
Others	**34**	86	-60.5
Total	**10,528**	9,254	13.8

During the Reporting Period, our other revenue amounted to approximately RMB10,528,000, representing a YoY increase of approximately 13.8% (the same period in 2022: approximately RMB9,254,000), mainly due to the increased use of additional value-added tax input deduction during the Reporting Period.

FINANCIAL REVIEW (Continued)

Other Gains and Losses

During the Reporting Period, our other gains amounted to approximately RMB642,000 (other losses of approximately RMB3,436,000 in 2022). Such a turnaround was mainly due to the fact that foreign currency accounts of the Company changed with the exchange rate during the Reporting Period.

Finance Costs

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

During the Reporting Period, our finance costs reached approximately RMB2,981,000, a YoY decrease of approximately 71.4% (approximately RMB10,419,000 in the same period in 2022). Such decrease was largely attributed to the decrease in interest expenses in connection with (i) the Pre-HKIPO Loans entered into between the Company and each of the Pre-HKIPO loan lenders; (ii) loan agreement entered into between the Company and one Pre-IPO Investor pursuant to the terms under the subscription agreement in January 2022; and (iii) the three bridging loan agreements entered into between the Company and two independent third parties for the settlement of consideration of business transfer with an aggregate total loan amount of approximately RMB101.3 million in January 2022, and such loans were fully repaid in June 2022.

Listing Expenses

During the Reporting Period, we incurred no listing expenses, representing a YoY decrease of approximately 100.0% (the same period in 2022: approximately RMB22,183,000).

Profit before Income Tax

As a result of the above, our profit before income tax for the year ended 31 December 2023 stood at approximately RMB30,015,000, representing a YoY decrease of approximately 66.9% (approximately RMB90,731,000 in the same period in 2022).

Income Tax (Credit)/Expense

During the Reporting Period, our income tax credit was approximately RMB3,040,000, a YoY decrease of approximately 113.2% (income tax expense of approximately RMB23,031,000 in the same period in 2022). Such a turnaround was largely due to an increased revenue caused by lower gross profits during the Reporting Period, leading to the synchronous increase of corresponding credit impairment provision receivable and deferred income tax expense. The effective tax rate, representing income tax expense divided by profit before tax, was 25.4% for 2022 and -10.1% for 2023, respectively.

Net Profit and Net Profit Margin

The Group recorded a net profit of RMB67,700,000 and RMB33,055,000 in 2022 and 2023, with a net profit margin of 13.6% and 2.8%, respectively. The adjusted net profit of the Group further decreased by 63.2% from approximately RMB89,883,000 in 2022 to approximately RMB33,055,000 in 2023, which was mainly due to growing revenue and a decrease in gross profit margin during 2023.

FINANCIAL REVIEW (Continued)

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 amortization), 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 listing expenses, exchange gains and losses, and changes in the fair value of convertible bonds 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		
	2023	2022	Change (+/(-))
	RMB'000	RMB'000	%
EBITDA and adjusted EBITDA			
Profit before Income Tax Expense	**30,015**	90,731	-66.9
Interest income	**-1,415**	-1,458	-2.9
Interest expense	**2,981**	10,419	-71.4
Earnings before interest and taxes	**31,581**	99,692	-68.3
Add:			
Depreciation of right-of-use assets	**2,876**	2,879	-0.1
Depreciation of property, plant and equipment	**693**	661	4.8
Amortization of intangible assets	**15,567**	13,158	18.3
EBITDA	**50,717**	116,390	-56.4
Add:			
Listing Expenses	**–**	22,183	-100.0
Adjusted EBITDA	**50,717**	138,573	-63.4

FINANCIAL REVIEW (Continued)

Non-HKFRS Measurement (Continued)

Adjusted net profit

We added back listing expenses, exchange gains and losses, and changes in the fair value of convertible bonds to net profit for the period to obtain adjusted net profit. The following table sets out a reconciliation of net profit and adjusted net profit for the years indicated:

	For the year ended 31 December		
	2023	2022	Change (+/(-))
	RMB'000	RMB'000	%
Reconciliation of net loss to adjusted net profit			
Net profit for the year	**33,055**	67,700	-51.2
Listing Expenses	**–**	22,183	-100.0
Adjusted net profit	**33,055**	89,883	-63.2

Reserves and Capital Structure

As of 31 December 2023, the Group's total equity was RMB578,016,000 (as of 31 December 2022: RMB544,860,000), which represented share capital of RMB72,000 (as of 31 December 2022: RMB72,000) and reserves of RMB576,443,000 (as of 31 December 2022: RMB543,275,000). The increase in total equity was primarily due to net 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 and the SaaS interactive marketing services. The Group's cash outflows from operating activities primarily comprised payments for media advertising resources costs and operating expenses such as production costs and SaaS costs.

As of 31 December 2023, the Group's total current assets and current liabilities were RMB579,342,000 (as of 31 December 2022: RMB580,990,000) and RMB196,613,000 (as of 31 December 2022: RMB170,833,000), respectively, while the current ratio was 2.9 times (as of 31 December 2022: 3.4 times). As of 31 December 2023, the Group had a cash and bank balance amounting to RMB26,131,000 (as of 31 December 2022: RMB329,188,000).

As of 31 December 2023, the bank loan of the Group was RMB56,555,000. The Group's gearing ratio (which equals to total debt divided by total capital plus total debt, where total debt includes borrowings, lease liabilities and convertible bonds, and capital includes equity attributable to owners of the Company) was 9.1% as at 31 December 2023 (31 December 2022: 11.9%).

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 2023, our capital expenditure was approximately RMB19,787,000. The following table sets out our capital expenditures for the years indicated:

		31 December 2023 RMB'000
(1)	Fixed assets (including computer equipment, office equipment, automobiles and office leasehold improvement)	231
(2)	Intangible assets (including our trademarks, software copyrights, purchased software and self-developed software)	19,556
Total		19,787

As of 31 December 2023, the Group had a total capital commitment of approximately RMB11,090,000 (31 December 2022: RMB11,262,000), 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 2023, 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 2023, we did not pledge any assets.

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

On 14 December 2023 (after trading hours), Xiamen Instant Interactive Culture Communication Co., Ltd.* (廈門即刻互動文化傳播有限公司) ("Xiamen Instant Interactive"), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement (the "Cooperation Agreement") with Shanghai Yuzheng Investment Management Co., Ltd. (上海聿正投資管理有限公司) ("Shanghai Yuzheng"), pursuant to which the parties agreed to establish a joint venture company (the "JV Company") with registered capital of RMB150,000,000. Pursuant to the Cooperation Agreement, Xiamen Instant Interactive will contribute RMB47,000,000 in cash towards the registered capital of the JV Company, representing 31.3% of the equity interest in the JV Company. The Company intended to cooperate with Shanghai Yuzheng for pursuing its plans of strategic cooperation, investments, and acquisitions with the selection criteria for the acquisition targets as disclosed in the Prospectus (as defined below) through the establishment of JV Company. For further details, please refer to announcement of the Company dated 14 December 2023 (the "December 2023 Announcement").

Save as disclosed above, as of 31 December 2023, the Group had no significant investments, material acquisitions, disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As of 31 December 2023, save for the disclosure made in the prospectus of the Company dated 28 October 2022 (the "Prospectus" December 2023 Announcement), the Group did not have any plan for significant investments or capital assets.

EMPLOYEES

As of 31 December 2023, we had a total of 136 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 RMB22,643,000 (the same period in 2022: RMB25,266,000). The decrease in staff cost was mainly due to the decrease in the number of R&D staff.

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 has resolved to reallocate the unutilised Net Proceeds, for the reasons as set out in the paragraph headed "Reasons for and Benefits of the Change in Use of Proceeds" in the December 2023 Announcement. For further details, please refer to the December 2023 Announcement.

The following table sets out the utilisation of the net proceeds as of 31 December 2023:

	Percentage of Net Proceeds	Net Proceeds from Global Offering HKD Million	Utilised balance as of 31 December 2023 HKD Million	Unutilised balance as of 31 December 2023 HKD Million	Expected Timeline of Utilisation
Enhancing SaaS interactive marketing platform research and development	14.7%	39.2	39.2	–	Not Applicable
Scaling up our IP contents portfolio and expanding our integrated marketing solutions business	44.5%	119	103.7	15.3	2024.12.31
Investment in the expansion of our geographical coverage and customer base	16.0%	42.7	42.7	–	Not Applicable
Joint venture establishment	19.3%	51.6	51.6	–	Not Applicable
Working capital and general corporate use	5.5%	14.8	14.8	–	Not Applicable
Total	100%	267.3	252.0	15.3	

The aforesaid expected timeline of full utilisation of the unutilised net proceeds is based on our Directors' best estimation, and is subject to change in light of future market conditions or any unforeseen circumstances.

MAJOR EVENTS AFTER THE REPORTING PERIOD

At 28 December 2023, the Group announced a proposed open offer to the shareholders a total of 400,000,000 shares at a price of HK$0.15 per share, on the basis of one rights share for every two shares held. The estimated net proceeds from the open offer will be approximately RMB53,004,000. Once the open offer completed, the number of ordinary shares will increase to 1,200,000,000 shares. Such offer was expected to commence on 21 March 2024. For further details, please refer to, amongst others, announcements of the Company dated 28 December 2023 and 8 March 2024 and the circular of the Company dated 25 January 2024.

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

PURCHASE, SALE, OR REDEMPTION OF THE SECURITIES

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries acquired, sold or redeemed any of its listed securities.

BIOGRAPHICS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Liu Jianhui ("Mr. Liu"), aged 38, is the Chairman of the Board, the chief executive officer, an executive Director, one of the Controlling Shareholders and co-founder of the Group. Mr. Liu is responsible for the overall management and strategic planning of the Group. Mr. Liu is a director of each of Jiangxi Meita, Xiamen Second Future, Xinjiang Kashi, Beijing Many Idea, and Quanzhou Many Idea. He is the spouse of Ms. Qu Shuo. Mr. Liu graduated from Huaqiao University* (華僑大學), the PRC with a bachelor's degree in information management and system in June 2008, where he acquired and accumulated knowledge and experience in certain areas in integrated marketing services with the use of information management system. Further, since the establishment of Xiamen Many Idea, Mr. Liu has gained experience in operation of business of integrated marketing services through, amongst others, organising large scale events such as concerts of popular singers and other marketing events. Mr. Liu has completed advanced study courses in PBC School of Finance, Tsinghua University, including (i) PBC School of Finance, Tsinghua University Industry and Finance CEO Training Programme, and (ii) Cultural and Creative Financial Leadership Programme. Mr. Liu is also pursuing another advanced study course in PBC School of Finance, Tsinghua University in relation to Scientific Entrepreneur Programme.

In March 2017, Mr. Liu received the Annual Industry Contribution Award from the Federation of Regional PR Agencies in China* (中國公共關係行業區域聯盟). Further, in November 2017, he received the 2017 Social Network Marketing Leader from the Advertiser for his outstanding achievements and contributions in the field of domestic social network marketing.

Ms. Qu Shuo ("Ms. Qu"), aged 38, is an executive Director and one of the Controlling Shareholders. Ms. Qu is primarily responsible for supervising daily operation of the Group. She is the spouse of Mr. Liu. Ms. Qu obtained her bachelor's degree in marketing in June 2008 from Huaqiao University, the PRC, where she acquired and accumulated knowledge and experience in certain areas in marketing, and a certificate of international investment and financing and capital operation from Xiamen University, the PRC in July 2017. Further, since the establishment of Xiamen Many Idea, Ms. Qu has gained further experience in operation of business of integrated marketing services through, amongst others, organising large-scale events such as concerts of popular singers and other marketing events.

Mr. Chen Shancheng ("Mr. Chen SC"), aged 42, is an executive Director. Mr. Chen SC is primarily responsible for analysing and planning business strategies and looking for investment and acquisition opportunities for the Group. Prior to joining the Group, from August 2011 to June 2014, Mr. Chen SC served as a financial controller of A'ba State Zhonghe New Energy Co., Ltd. (formerly known as A'ba Prefecture Minfeng Lithium Industry Co., Ltd.) and Malkang Jinxin Mining Co., Ltd., a subsidiary of A'ba Prefecture Zhonghe New Energy Co., Ltd. Mr. Chen SC gained his strategic planning and investment experience through, for example, participating in certain investment projects involving negotiations, building financial models and reviewing financial statements of target activities and assets.

EXECUTIVE DIRECTORS (Continued)

From July 2014 to August 2015, Mr. Chen SC worked as a financial controller in Hengxing Gold Holding Company Limited (a company listed on the Hong Kong Stock Exchange up to January 2021 (former stock code: 2303)), a gold producer where he was responsible for, amongst others, exploring business and investment opportunities and reviewing investment projects with a view to recommending appropriate investment and planning decisions. From August 2015 to February 2017, he worked as a general manager in Xiamen Deep Century Investment Management Partnership (Limited Partnership), an investment management partnership firm. Mr. Chen SC obtained his bachelor's degree in accounting and master's degree in master of professional accounting from Xiamen University* (廈門大學), the PRC in July 2004 and June 2014, respectively. He obtained his doctorate degree in business administration from a joint programme held by Shanghai Jiao Tong University (上海交通大學) and Singapore Management University* (新加坡管理大學) in the PRC in June 2023.

Mr. Chen Zeming ("Mr. Chen ZM"), aged 34, is an executive Director. Mr. Chen ZM is primarily responsible for overseeing the project planning and operation of the Group. Mr. Chen ZM holds diploma degree in advertising design and production obtained from Quanzhou Huaguang Vocational College of Photography and Art* (泉州華光攝影藝術職業學院), the PRC in June 2011. Shortly after graduation, Mr. Chen ZM joined the Group and was responsible for project management in May 2012. Since joining the Group, Mr. Chen ZM has further acquired experience in the operation of the business of integrated marketing services through, amongst others, organising large-scale events such as concerts of popular singers and other marketing events. Mr. Chen ZM graduated from Communication University of China* (中國傳媒大學), the PRC with a bachelor's degree in business management in July 2021 through distance learning.

NON-EXECUTIVE DIRECTOR

Ms. Liu Hong ("Ms. Liu"), aged 29, was appointed as a non-executive Director on 10 January 2024. Ms. Liu has over 7 years of experience in corporate and enterprise management. Since February 2016, she has been an executive director and investor of Guiyang Dunxilu Tourism Co., Ltd.* (貴陽市登喜路旅業有限公司), a company established in the PRC with business focus on, amongst others, tourism, catering, and catering management. She is currently an investor of Guangdong Huaminghui Culture and Art Co., Ltd.* (廣東華茗匯文化藝術有限公司), a company established in the PRC with business focus on, amongst others, culture and arts exchange activities, management of cultural venues, and provision of exhibition and conferencing services. She has been appointed as the vice president (副總裁) of the PRC area of Versailles Hotel Chain Management Co., Ltd.* (凡爾賽連鎖酒店管理有限公司), a company established in the PRC with hotel operation in the PRC since July 2023. Ms. Liu obtained the advanced diploma in Business and Administration conferred by Excel London College (Shatin), Hong Kong in January 2024.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wang Yingbin ("Ms. Wang"), aged 48, was appointed as an independent non-executive Director on 12 October 2022. Since August 2011, Ms. Wang has been serving as a senior engineer at the School of Life Sciences of Xiamen University in the PRC. Since December 2018 and January 2019, Ms. Wang has served as a union president and a senior engineer at School of Public Health of Xiamen University in the PRC, respectively. Ms. Wang has served as an independent non-executive director of Fujian Sanmu Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange (stock code: 000632)), Xiamen Solex High-tech Industries Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 603992)) and Xiamen Yanjan New Material Co., Ltd.* (廈門延江新材料股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300658)), since June 2019, May 2020 and August 2021, respectively. Ms. Wang graduated from the Third Institute of Oceanography, Ministry of Natural Resources* (自然資源部第三海洋研究所), the PRC with a master's degree in marine biology in August 2001.

Ms. Wong Yan Ki, **Angel ("Ms. Wong")**, aged 52, was appointed as an independent non-executive Director on 12 October 2022. Ms. Wong is the chairperson of the audit committee of the Company and a member of the remuneration committee and nomination committee.

Ms. Wong has more than 25 years of experience in accounting, auditing, corporate finance, and capital market activities. Ms. Wong has been an independent non-executive director of Henan Jinyuan Hydrogenated Chemicals Co., Ltd. (a company listed on the Stock Exchange (stock code: 2502)), Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd.* (國鴻氫能科技(嘉興)股份有限公司) (a company listed on the Stock Exchange (stock code: 9663)), and Betta Pharmaceuticals Co., Ltd.* (貝達藥業股份有限公司) (a company listed on Shenzhen Stock Exchange (stock code: 300558)) since October 2023, October 2022, and January 2021, respectively. Previously, Ms. Wong served as an independent non-executive director of Hengxing Gold Holding Company Limited* (恒興黃金控股有限公司) (a company listed on the Stock Exchange up to February 2021 (former stock code: 2303)) from March 2013 to February 2021. Ms. Wong has been an independent director of BIT Mining Limited (formerly known as 500.com Limited (a company listed on New York Stock Exchange with current ticker symbol: BTCM) from November 2015 to April 2023. Ms. Wong has been the president and executive director of Advanced Capital Limited since November 2007, where she provides consultancy services for both listed companies and companies preparing for listing.

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Ms. Wong has been admitted as member of the Association of Chinese Internal Auditors since April 2022, member of the Guangdong Association of Management Accountants since December 2017, fellow member of CPA Australia since May 2017, founding member of the Hong Kong Independent Non-Executive Director Association since January 2016, fellow member (FIPA, Australia) of the Institute of Public Accountants since April 2015, member of the Hong Kong Institute of Directors since November 2014, full member of the Society of Registered Financial Planners in Hong Kong since November 2003, and fellow member of the Institute of Financial Accountants in the United Kingdom since October 2003. Ms. Wong obtained a bachelor's degree in international accounting from Xiamen University in the PRC in July 1994, a postgraduate certificate in professional accounting from City University of Hong Kong in Hong Kong in November 2000, and an EMBA degree from Cheung Kong Graduate School of Business in the PRC in October 2009.

Mr. Tian Tao ("Mr. Tian"), aged 66, was appointed as an independent non-executive Director on 12 October 2022. Mr. Tian is the chairperson of the nomination committee of the Company and a member of the remuneration committee and audit committee.

From February 1999 to November 2015, Mr. Tian was the vice general manager of CVSCTNS Research Co Ltd. From November 2015 to June 2017, he was the president of Zhongguang Xincheng Information Technology Co., Ltd. From July 2017 to August 2018, he was the president of the Beijing office of Nielsen-CCData Media Research Services Co., Ltd.* (尼爾森網聯媒介數據服務有限公司北京分公司) Since September 2018, he has been serving as the president of Zhongguang Rongxin Media Consulting (Beijing) Co., Ltd.* (中廣融信媒介諮詢(北京)有限公司) Mr. Tian has served as an independent non-executive director of Icon Culture Global Company Limited* (天弘文創國際集團有限公司) (a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8500)) since December 2019.

Ms. Xiao Huilin ("Ms. Xiao"), aged 45, was appointed as an independent non-executive Director on 15 February 2023. Ms. Xiao received a Bachelor of Arts (Literature) from Beijing Foreign Studies University, the PRC in 2002, and a Master of Philosophy in Economics (MPhil) and a Doctor of Philosophy in International Business from the University of Sydney, Australia, in 2005 and 2008, respectively. From 2010 to 2011, she worked as a postdoctoral research fellow at City University of Hong Kong, where she was responsible for, amongst others, researching on the great opportunities of international trade and commerce and investment along the Belt and Road Initiative. Ms. Xiao currently serves as an associate professor at the School of Business Administration, Southwest University of Finance and Economics. Ms. Xiao has extensive knowledge and experience in international trade and investment. She served as Associate Dean of the School of International Development Cooperation, University of International Business and Economics from June 2020 to November 2021. She worked as a part-time researcher and associate researcher at the Organisation for Economic Co-operation and Development (OECD) and the School of Business and Law, University of Newcastle, Australia, from March 2004 to March 2006 and March 2008 to December 2009, respectively.

SENIOR MANAGEMENT

Ms. Wang Bifeng ("Ms. Wang"), aged 36, is our financial controller, and is primarily responsible for overseeing the accounting and financial management of the Group. Ms. Wang joined us in March 2017, and had served as a deputy finance manager until March 2021 before she was redesignated as the position of financial controller. From September 2009 to August 2016, Ms. Wang served as a financial manager of Empereur* (華祥苑茶業股份有限公司), a company principally engaged in business of processing refined tea. Ms. Wang obtained a college degree in computerised accounting from Xiamen Huatian International Vocation Institute* (廈門華天涉外職業技術學院), the PRC in July 2009. Ms. Wang graduated from Xiamen University* (廈門大學), the PRC with a bachelor's degree in accounting in December 2016 through distance learning. Ms. Wang does not have any current or past directorship in any listed companies in the last three years.

Ms. Zhang Yan ("Ms. Zhang"), aged 39, is our deputy general manager, and is primarily responsible for overall strategic planning, business direction and operational management of the Group. Ms. Zhang joined the Group as a deputy director for human resources and general administrative in Xiamen Many Idea in September 2016. Ms. Zhang was appointed as the deputy general manager of the Group in January 2021. Prior to joining the Group, Ms. Zhang was the head of the shipping department in Xiamen Longyun Shipping Co., Ltd.* (廈門隆運船務有限公司) from July 2006 to November 2013. Ms. Zhang worked at Fujian Sinotrans Shipping Agency Co., Ltd. Xiamen Branch* (福建中外運船務代理有限公司廈門分公司) from December 2014 to April 2016, with her last position as head of accounting. Ms. Zhang obtained her college diploma in international trade from Xiamen University of Technology, the PRC in July 2006.

Mr. Huang Xihuang ("Mr. Huang"), aged 42, is our director for research and development, and is primarily responsible for the development and implementation of technological strategies, and management of the research team and system of the Group. Mr. Huang joined our Group and has been appointed as a director for the technical department since November 2018. Prior to joining the Group, Mr. Huang was the research and development engineer at Xiamen Yaxon Networks Co., Ltd.* (廈門雅迅網絡有限公司) from April 2006 to March 2011. From June 2011 to March 2018, he was employed as a research and development engineer by Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.* (摩托羅拉移動互聯科技(廈門)有限公司) (formerly known as Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.* (聯想移動互聯科技(廈門)有限公司)) Mr. Huang obtained his bachelor's degree in communication engineering in June 2003 and his master's degree in information and communication engineering in March 2006 from Zhejiang University* (浙江大學), the PRC. He further received a master's degree in business management from Xiamen University* (廈門大學), the PRC in June 2017. He obtained a qualification certificate of senior engineer specialist in electronic engineering from Fujian Human Resources and Social Security Bureau* (福建省人力資源和社會保障廳) in October 2017. Mr. Huang does not have any current or past directorship in any listed companies in the last three years.

REPORT OF THE DIRECTORS

The board (the "Board") of directors (the "Directors") of Many Idea Cloud Holdings Limited (the "Company") is pleased to present this annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2023.

GENERAL INFORMATION

Our Company is an exempted company incorporated in the Cayman Islands with limited liability on 10 June 2021. The headquarter of the Company in the PRC is located at 12/F, Erke Group Building, No.11 Guanyin Shan, Hualian Road, Siming District, Xiamen, Fujian Province, PRC. The principal place of business of the Company in Hong Kong is located at Room 2408, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong. The shares of our Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEx" or the "Hong Kong Stock Exchange") since 9 November 2022 (the "Listing Date") (stock code: 6696).

PRINCIPAL BUSINESS

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.

A review of our Group's business for the year ended 31 December 2023, including an analysis of our Group's results during the year using financial key performance indicators and a description of possible future developments in our Group's business, is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

ANNUAL RESULTS

Our Group's results for the Reporting Period are set out in the consolidated statements of profit or loss on page 84 of this annual report.

FINAL DIVIDEND

The Board does not recommend the distribution of final dividends for the year ended 31 December 2023 (31 December 2022: nil).

SHARE CAPITAL

Details of changes in share capital and issued shares of our Company for the Reporting Period are set out in Note 33 to the consolidated financial statements.

As at 31 December 2023, the total amount of the issued share capital of the Company was HK$80,000, divided into 800,000,000 shares of HK$0.0001 per share.

RESERVES

As at 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands (the "Companies Law"), amounted to approximately RMB287,774,000. Details of changes in the reserves of our Group for the year ended 31 December 2023 are set out on page 87 of this annual report.

FINANCIAL SUMMARY

The consolidated results and a summary of the assets and liabilities of our Group for the past five financial years are extracted from the consolidated financial statements and are set out on page 156 of this annual report. This summary does not constitute an integral part to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Details of bank borrowings of our Group as at 31 December 2023 are set out in Note 30 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of our Group for the Reporting Period are set out in Note 18 to the consolidated financial statements.

SUFFICIENT PUBLIC FLOAT

Based on the publicly available information of our Company and to the best knowledge of our Directors, the Company has maintained a sufficient public float throughout the Reporting Period and up to the date of this annual report.

TAX RELIEF AND EXEMPTION

Our Directors are not aware of any tax relief and exemption for our shareholders to hold our securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights in our Company's articles of association or under the laws of the Cayman Islands, requiring the Company to offer new shares on a pro-rata basis to existing Shareholders.

BUSINESS REVIEW

Overview and Performance of the Year

A review of our Group's business for the Reporting Period is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of the report. Events affecting our Company after the Reporting Period are set out in the "Management Discussion and Analysis – Subsequent Events" of this annual report.

Main Relationships with Stakeholders

Our Group recognizes that different stakeholders (including employees, customers, suppliers and other business partners) are the key to the success of our Group. Our Group makes great efforts to maintain contacts, cooperate and build solid relationships with them in order to achieve sustainable corporate development. Our Group believes that it is essential to attract, recruit and retain high-quality employees. In order to maintain the quality, knowledge and skills of employees, our Group provides regular training courses to the employees to further enhance their competencies and skills. Our Group believes that we have maintained good relationships with our employees and has not experienced any major labour disputes or difficulties in recruiting employees for our business operations.

We value customer feedback, because the provision of good customer service is one of the key impetuses in our sales. We have a dedicated customer service team to solve all kinds of after-sales customer requests in a timely and effective manner and improve overall customer satisfaction. Our huge and growing customer base also provides invaluable insights into the best industry practices, so we can better understand customer needs and therefore continuously improve our products and enhance experiences for our customers.

Major Customers and Suppliers

For the Reporting Period,

i. The Group's largest supplier accounted for 63.5% of the Group's total purchase amount (12.2% in 2022), and the Group's top-five suppliers accounted for 79.3% of the Group's total purchase amount (49.9% in 2022); and

ii. Our Group's largest customer accounted for 9.0% of our Group's total revenue (9.7% in 2022), and our Group's top-five customers accounted for 35.7% of our Group's total revenue (42.1% in 2022).

To the best of the knowledge of the Directors, none of the Directors, their respective close associates or any shareholder (which to the knowledge of the Directors, own more than 5% of the Company's issued share capital) has any direct/indirect interest in any of the Group's five largest suppliers or customers during the year ended 31 December 2023.

BUSINESS REVIEW (Continued)

Social Responsibility, Environmental Protection Policy and Performance

Our Group is committed to fulfilling its social responsibilities, promoting welfare and development for its employees, protecting the environment, giving back to the community and achieving the sustainable growth. Our Group abides by the relevant national environmental protection regulations, and takes measures such as saving electricity, strengthening the routine maintenance and management of water-consuming equipment, and advocating a paperless office, to reduce the impact of our Group's operations on the environment and make our Group's development in harmony with the environment, thereby ensuring the long-term sustainable development of our Group.

For details of the environmental, social and governance report, please refer to pages 62 to 77 of this annual report.

Compliance with Relevant Laws and Regulations

Our Group endeavours to compile with the provisions of the Companies Ordinance, the Listing Rules, the Securities and Futures Ordinance and the Corporate Governance Code on matters such as data disclosure and corporate governance. Our Group has adopted the Model Code.

Main Risks and Uncertainties

Our operations involve a number of main risks and uncertainties, some of which are beyond our control. The significant risks and uncertainties we face are set out below:

- We rely on our customers from the fast moving consumer goods, footwear and apparel and real estate industries and any adverse development in these industries may impact us;
- If we fail to successfully obtain marketing rights to projects with IP contents or acquire IP contents suiting our customers' and their end-customers' preferences or to successfully commercialise these IP contents, we may lose our customers;
- Our SaaS interactive marketing services have a short operating history, which makes it difficult to evaluate the prospects and future growth in our SaaS interactive marketing services;
- Our gross profit margins have fluctuated and may continue to fluctuate in the future;
- Our business depends on our ability to maintain our existing business with our customers and our ability to attract new customers and we generally do not enter into long term business contracts with our customers;
- Our Group operates in a competitive industry and if we fail to compete effectively, our business may be adversely affected; and
- Our intangible assets at amortised cost may become impaired and the amortisation cost incurred could materially and adversely affect our results of operation and financial condition.

OUTLOOK

A description of future business development of our Company is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

DIRECTORS

The Directors during the Reporting Period and as at the date of the report are as follows:

Executive Directors

Mr. Liu Jianhui *(Chairman of the Board and Chief Executive Officer)*
Ms. Qu Shuo
Mr. Chen Shancheng
Mr. Chen Zeming
Ms. Huang Tingting (resigned on 29 March 2023)

Non-executive Director

Ms. Liu Hong (appointed on 10 January 2024)

Independent Non-executive Directors

Ms. Wang Yingbin
Ms. Wong Yan Ki, Angel
Mr. Tian Tao
Ms. Xiao Huilin (appointed on 15 February 2023)

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director (including a Director for a specific term) shall be subject to retirement at an annual general meeting at least once every three years.

In accordance with Article 112 of the Articles of Association, any Director appointed by our Board to fill a casual vacancy shall hold office only until the next first general meeting of our Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed as an addition to the existing Board shall hold office only until the next first annual general meeting of our Company after his/her appointment and shall then be eligible for re-election.

Accordingly, Mr. Chen Zeming, Mr. Tian Tao, Ms. Wang Yingbin, and Ms. Liu Hong will retire from office by rotation and are eligible for re-election at the Annual General Meeting.

Details of the Directors to be re-elected at the forthcoming annual general meeting of our Company are set out in a circular to be sent to the shareholders in due course and in the manner set out in the Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of our Group are set out in the "Biographics of Directors and Senior Management". Save as disclosed in the report, there have been no other changes in the details of Directors required to be disclosed as stipulated by 13.51(2) and 13.51B(1) of the Listing Rules as at the date of the report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

On 12 October 2022, each of our executive Directors entered into a service contract with our Company pursuant to which he/she agreed to act as an executive Director for an initial term of three years with effect from the Listing Date. The contract will be terminated by a written notice of not less than three months from either party. Each of our independent non-executive Directors entered into a letter of appointment with our Company on 12 October 2022 for an initial term of three years. Ms. Xiao Huilin and Ms. Liu Hong have entered into a service contract with the Company for a period of three years commencing from 15 February 2023 and 10 January 2024, respectively, subject to re-election as required by the Articles of Association. Either party shall have the right to terminate such appointment by giving a written notice of not less than three months.

None of the Directors for re-election at the annual general meeting has entered into an unexpired service contract or letter of appointment with our Company or any of its subsidiaries that cannot be terminated within one year without compensation (except for statutory compensation).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Our Company has received confirmation of independence from the independent non-executive Directors, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao, and Ms. Xiao Huilin each pursuant to Rule 3.13 of the *Listing Rules*. Our Company has duly reviewed the respective confirmation of independence of such directors. We consider that our independent non-executive Directors, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, and Mr. Tian Tao were independent from the date of their appointment to 31 December 2023 and remain so as at the date of the report. Our independent non-executive Director, Ms. Xiao Huilin, has remained independent since her appointment till the date of this report.

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

To the best knowledge of our Company as at 31 December 2023, none of our Directors or chief executive of our Company has, in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO), (a) any interests and/or short positions (if applicable) which will be required to be notified to our Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), (b) any interests and/or short positions which will be required, pursuant to Section 352 of the SFO, to be entered in the register kept referred to in that section, or (c) any interests and/or short positions which will be required, pursuant to the Model Code, to be notified to our Company and the HKEx. Refer to the table below:

Long positions in shares

Name of Director	Capacity/ Nature of Interest	Number of Shares/ Interests Held	Approximate Percentage of Shareholding[1]
Mr. Liu	Interest in controlled corporation[2]	130,457,399 (L)	16.31%
	Interest in controlled corporation[3]	126,330,885 (L)	15.79%
	Interest of spouse[4]	1,579,097 (L)	0.20%
Ms. Qu	Interest of spouse[4]	130,457,399 (L)	16.31%
	Interest of spouse[4]	126,330,885 (L)	15.79%
	Interest in controlled corporation[5]	1,579,097 (L)	0.20%
Chen Shancheng	Interest in controlled corporation[6]	15,119,887 (L)	1.89%
Chen Zeming	Interest in controlled corporation[7]	1,963,278 (L)	0.25%

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES (Continued)

Long positions in shares (Continued)

Notes:

(L) denotes long positions.

1. Calculation is based on a total of 800,000,000 Shares, being the total number of shares issued as at 31 December 2023.

2. The said Shares were held in the name of Many Idea Liujianhui Limited ("Many Idea Liujianhui"). The entire issued share capital of Many Idea Liujianhui Limited ("Many Idea Liujianhui") is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.

3. The said Shares were held in the name of Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership)* (廈門市湖裏區夢想未來投資合夥企業(有限合夥)) ("Xiamen Dream Future"). Xiamen Dream Future is owned as to 90% by Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership)* (張家界樂見多想網絡科技中心(有限合夥)) ("ZJJ Many Idea"), 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.

4. As Mr. Liu is the spouse of Ms. Qu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other.

5. The said Shares were held in the name of Many Idea Qushuo Limited ("Many Idea Qushuo"). The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.

6. The said Shares were held in the name of Many Idea ChenShancheng Limited. The entire issued share capital of Many Idea ChenShancheng Limited is wholly owned by Mr. Chen SC. Accordingly, Mr. Chen SC is deemed to be interested in such number of Shares held by Many Idea ChenShancheng Limited by virtue of the SFO.

7. The said Shares were held in the name of Many Idea ChenZeming Limited. The entire issued share capital of Many Idea ChenZeming Limited is wholly owned by Mr. Chen ZM. Accordingly, Mr. Chen ZM is deemed to be interested in such number of Shares held by Many Idea ChenZeming Limited by virtue of the SFO.

Reference is made to the announcement of the Company dated 28 December 2023 (the "Announcement"). Pursuant to the underwriting agreement dated 28 December 2023 entered into between the Company and Many Idea Liujianhui Limited (the "Underwriter"), the Underwriter has conditionally agreed to underwrite up to 400,000,000 Open Offer Shares (as defined in the Announcement). For effect of the Open Offer (as defined in the Announcement) on the shareholding structure of the Company, including those relating to the executive Directors, namely, Mr. Liu, Ms. Qu, Mr. Chen SC and Mr. Chen ZM and the substantial shareholders, namely, Many Idea Liujianhui, ZJJ Many Idea, Xiamen Dream Future and Many Idea Qushuo, please refer to the announcement of the Company dated 28 December 2023.

Save as disclosed above, to the best knowledge of Directors and chief executive of our Company as at 31 December 2023, none of our Directors or chief executive of our Company has, in the shares, underlying shares and debentures of our Company or its associated corporation, (a) any interests or short positions which will be required to be notified to our Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO); (b) any interests or short positions which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section; or (c) any interests or short positions which will be required, pursuant to the Model Code, to be notified to our Company and the HKEx.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2023, according to records in the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (except for Directors or chief executive of our Company) had, in the shares and underlying shares, any interests or short positions which will be required to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares

Name of Director	Capacity/ Nature of Interest	Number of Shares/ Interests Held	Approximate Percentage of Shareholding[1]
Many Idea Liujianhui	Beneficial owner[2]	130,457,399 (L)	16.31%
ZJJ Many Idea	Interest in controlled corporation[3]	126,330,885 (L)	15.79%
Xiamen Dream Future	Beneficial owner[3]	126,330,885 (L)	15.79%
Many Idea Qushuo	Beneficial owner[4]	1,579,097 (L)	0.20%

Notes:

(L) denotes long positions.

1. Calculation is based on a total of 800,000,000 Shares, being the total number of shares issued as at 31 December 2023.

2. The said Shares were held in the name of Many Idea Liujianhui. The entire issued share capital of Many Idea Liujianhui is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.

3. The said Shares were held in the name of Xiamen Dream Future. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.

4. The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.

Reference is made to the announcement of the Company dated 28 December 2023 (the "Announcement"). Pursuant to the underwriting agreement dated 28 December 2023 entered into between the Company and Many Idea Liujianhui Limited (the "Underwriter"), the Underwriter has conditionally agreed to underwrite up to 400,000,000 Open Offer Shares (as defined in the Announcement). For effect of the Open Offer (as defined in the Announcement) on the shareholding structure of the Company, including those relating to the executive Directors, namely, Mr. Liu, Ms. Qu, Mr. Chen SC and Mr. Chen ZM and the substantial shareholders, namely, Many Idea Liujianhui, ZJJ Many Idea, Xiamen Dream Future and Many Idea Qushuo, please refer to the announcement of the Company dated 28 December 2023.

Save as disclosed above, Directors have not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be required to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register maintained by our Company pursuant to Section 336 of the SFO.

RIGHTS OF DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period, was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate. None of the Directors or his/her spouse or children under the age of 18 years had any rights to subscribe for shares or debentures of our Company or any other corporations and none of them exercised any rights in relation thereto.

DEED OF NON-COMPETITION

To avoid possible competition between our Group and Xiamen Many Idea Vision Advertising Co., Ltd.* (廈門多想視界廣告有限公司) ("Xiamen Advertising") or Xiamen Many Idea Vision Culture Media Co., Ltd.* (廈門多想視界文化傳媒有限公司) ("Xiamen Vision") after Listing, our Controlling Shareholders entered into the Deed of Non-competition on 12 October 2022 in favour of our Company (for ourselves and as trustee for each of our subsidiaries from time to time), under which each of our Controlling Shareholders has irrevocably and unconditionally undertaken to our Company that they shall not, and shall procure that none of their respective close associates and/or companies controlled by them (other than members of our Group) shall, during the Restricted Period (as defined below), directly or indirectly, either on their own account, in conjunction with, on behalf of, or through any person, firm or company, for profit or not, among other things, carry on, engage, invest, be interested or involved or engaged in, acquire or hold any rights or interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any business of integrated marketing solutions services in the PRC and such other parts of the world where any member of our Group may operate from time to time or other related business which our Group may undertake from time to time after the Listing (the "Restricted Business").

Upon review of the annual reports and related information provided by Xiamen Advertising and/or Xiamen Vision, the independent non-executive Directors believe that, to the best of their knowledge, the Deed of Non-competition was properly abided by and implemented from the Listing Date to 31 December 2023.

The "Restricted Period" stated in the Deed of Non-competition refers to the period during which:

(a) The Shares remain listed on the Hong Kong Stock Exchange (other than suspension of trading of the Shares for any other reason); or

(b) Controlling shareholders and their respective close associates, individually or jointly, remain to be deemed as controlling shareholder (within the meaning as defined in the Listing Rules from time to time) and/or a Director of our Company.

Please refer to the prospectus of our Company dated 28 October 2022 for details about the Deed of Non-competition.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

During the Reporting Period, our Company's controlling shareholders or any Directors and their respective close associates (other than members of our Group) had no interests in any business directly, indirectly or possibly competing with the business of our Company which would require disclosure under Rule 8.10 of the Listing Rules, except for the interests of our Company's controlling shareholders in our Company or the business of our Group.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the year ended 31 December 2023. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended 31 December 2023.

CONNECTED AND CONTINUING CONNECTED TRANSACTION

For the year ended 31 December 2023, none of such related party transactions constitutes a connected transaction or a continuing connected transaction which is subject to reporting, annual review, announcement and/or requirements for shareholders' approval as set out in the Listing Rules.

INTERESTS OF DIRECTORS IN SIGNIFICANT TRANSACTION, ARRANGEMENT OR CONTRACT

At 28 December 2023, the Group announced a proposed open offer ("Open Offer") to the shareholders a total of 400,000,000 shares at a price of HK$0.15 per share ("Open Offer Shares"), on the basis of one rights share for every two shares held. The estimated net proceeds from the Open Offer will be approximately RMB53,004,000. Once the Open Offer is completed, the number of ordinary shares will increase to 1,200,000,000 shares. Such offer was expected to commence on 21 March 2024. For further details, please refer to, amongst others, announcements of the Company dated 28 December 2023 and 8 March 2024 and the circular of the Company dated 25 January 2024.

On 28 December 2023 the Company and Many Idea Liujianhui Limited as the underwriter entered into the underwriting agreement in relation to the Open Offer. On 28 December 2023, the Company and Metaverse Securities Limited (the "Placing Agent") entered into the placing agreement in respect of the arrangements (the "Unsubscribed Arrangements") to place the Open Offer Shares that are not subscribed (the "Unsubscribed Shares") by the shareholder(s) (the "Qualifying Shareholders") of the Company, whose name(s) appear on the register of members of the Company on 20 March 2024 (the "Record Date"), aggregated fractional Open Offer Shares, and Open Offer Shares which would otherwise have been allotted to the shareholder(s) of the Company whose name(s) appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong (the "Overseas Shareholder(s)"), whom the Directors, after making enquiry as required under the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from the Open Offer (the "Non-Qualifying Shareholders") (as the case may be) by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not shareholders of the Company and are otherwise independent third parties pursuant to Rule 7.26A(1)(b) of the Listing Rules.

Save as disclosed above, none of the Directors of our Company or entity connected with the Directors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to which our Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and which was in effect during or at the end of the year ended 31 December 2023.

MATERIAL CONTRACT

Save as disclosed in the report, neither our Company or any of its subsidiaries, nor our Company's controlling shareholder or any of its subsidiaries (if applicable), entered into any material contract for the year ended 31 December 2023.

ADMINISTRATION/MANAGEMENT CONTRACT

Other than service contracts of the Directors, our Company has not entered into, or during the Reporting Period held, any contracts relating to the management and administration of the whole or any substantial parts of the business of our Company.

INDEMNITY PROVISIONS PERMITTED TO DIRECTORS

According to the Articles of Association, our Company must indemnify the Director with the assets of our Company against all losses or liabilities incurred or suffered by the Director in defending any proceedings, whether civil or criminal, in which judgment is ultimately given in the Director's favour of acquittal. For the year ended 31 December 2023, our Company already arranged appropriate directors' liability insurance for Directors.

STAFF, REMUNERATION POLICY AND DIRECTOR'S REMUNERATION

We had a total of 136 employees as at 31 December 2023 (2022: 161 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 the 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.

The total staff cost including remuneration, other employee benefits and contributions to retirement schemes for the Directors and other staff of the Group during the Reporting Period amounted to RMB22,643,000 (2022: RMB25,266,000). The decrease in staff cost was mainly due to the decrease in the number of R&D staff.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted by a resolution of Shareholders of our Company passed on 12 October 2022.

Purpose of the Scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

SHARE OPTION SCHEME (Continued)

Who may join

Our Directors may at any time within a period of ten years commencing from the date of adoption of the Share Option Scheme, at its absolute discretion, in accordance with the provisions of the Share Option Scheme and the Listing Rules make an offer to any person belonging to any of the following classes of participants ("Eligible Participant"), to take up options to subscribe for Shares:

(aa) any employee ("Eligible Employee") (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries or any entity ("Invested Entity") in which any member of our Group holds an equity interest;

(bb) any non-executive directors (including INEDs) of our Company, any of our subsidiaries or any Invested Entity;

(cc) any supplier of goods or services to any member of our Group or any Invested Entity;

(dd) any customer of any member of our Group or any Invested Entity;

(ee) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;

(ff) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

(gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and

(hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group;

Maximum Number of the Shares Available for Subscription

According to the Share Option Scheme, the maximum number of the Shares available for issuance corresponding to all share options is 80,000,000.

As at 31 December 2023, the Company has not granted any share options.

SHARE OPTION SCHEME (Continued)

Maximum Entitlement of Each Participant

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised and outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being ("Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders at general meeting of our Company with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. Our Company must send a circular to the Shareholders, containing the information required under the Listing Rules. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

Grant of Options to Our Directors, Chief Executive or Substantial Shareholders of Our Company or Their Respective Associates

(aa) Any offer for the grant of options under the Share Option Scheme to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by INEDs (excluding INED who or whose associates is the proposed grantee of the options).

(bb) Where any grant of options to a Substantial Shareholder or an INED or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HKD5 million;

such further grant of options must be approved by Shareholders in general meeting. Our Company must send a circular to the Shareholders, containing the information required under the Listing Rules. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a Substantial Shareholder or an INED or any of their respective associates must be approved by the Shareholders in general meeting.

SHARE OPTION SCHEME (Continued)

Subscription Price for the Shares and Consideration for the Option

The subscription price for the Shares under the Share Option Scheme shall be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant of the option, which must be a business day; (ii) the average closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant of the option; and (iii) the nominal value of a Share.

A nominal consideration of HKD1 is payable on acceptance of the grant of an option.

Time of Acceptance and Exercise of Option

An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period ("Option Period") may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of the offer for the grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years ("Termination Date") commencing on the date on which the Share Option Scheme is adopted.

As at 31 December 2023 and the date of the annual report, the total number of the Shares available for issuance upon exercise of all share options granted according to the Share Option Scheme was 80,000,000 (accounting for 10% of the issued share capital).

No options have been granted or agreed to be granted under the Share Option Scheme for the year ended 31 December 2023.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Option Scheme" above, our Company did not enter into any equity-linked agreement for the year ended 31 December 2023.

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 from its listing date to 31 December 2023 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 Jianhui ("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 as he directly supervises the Directors of the Group (in addition to himself) and our members of senior management. 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.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 21 June 2024 (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, 18 June 2024 to Friday, 21 June 2024 (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, 17 June 2024 for registration.

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. 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 2023 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 2023 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.

For and on behalf of the Board
Many Idea Cloud Holdings Limited
Liu Jianhui
Chairman of the Board and Executive Director

Hong Kong, 20 March 2024

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the period from 1 January 2023 to 31 December 2023 (the "Reporting Period").

CORPORATE GOVERNANCE PRACTICES

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

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

The Company has adopted and applied the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 of the Listing Rules. To the best knowledge of the Directors, except for code provision C.2.1 set out below, the Company has complied with all applicable code provisions under the CG Code during the period from the Listing Date to 31 December 2023.

The roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu currently holds both positions. Since establishment of our Group in 2012, Mr. Liu has been key leadership figure of our Group who has been deeply involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group's operations as he directly supervises our Directors (other than himself) and members of our senior management. Taking into account the continuation of the implementation of our business plans, our Directors (including our independent non-executive Directors) consider Mr. Liu the best candidate for both positions and the present arrangements are beneficial to and in the interests of our Company and our Shareholders as a whole. Our Board will continuously review and monitor its corporate governance measures to ensure compliance with the CG Code.

The Company aims to build a sustainable community with our employees, customers and business partners by supporting local initiatives that aim to create effective and lasting benefits to the local community, through various initiatives that may include corporate philanthropy, establishing community partnerships, and mobilising our employees to participate in volunteer work. In addition, we also endeavour to reduce any negative impacts on the environment through our commitment to energy saving and sustainable development. We will also focus on embracing diversity within our organisation and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a collegial culture in our workplace for all of our employees. That enables the Company to deliver long-term sustainable growth and success.

MODEL CODE OF DIRECTOR SECURITIES TRANSACTIONS

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 from the Listing Date to the date of the report. 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.

BUSINESS STRATEGIES

Our Company plans to further increase our market share and enhance our overall competitiveness in providing integrated marketing solutions services by implementing the following strategies:

i. Expand our SaaS interactive marketing business by enhancing the diversity and quality of our interactive creative management tools, investing in the data analytic abilities, and upgrading the platform with new functions;

ii. Scale up our IP contents portfolio and expand our integrated marketing solutions business;

iii. Expand our geographical coverage and enlarge our customer base; and

iv. Expand through pursuit of investment and acquisition opportunities.

OUR BOARD

Our Company is led by an efficient Board of Directors. Our Board shall oversee our Group's business, strategic decisions and performance and make decisions objectively in the best interests of our Company.

Our Board shall regularly review the contribution of the Directors to the discharge of their duties in our Company and whether the Directors have devoted sufficient time to the discharge of their duties.

Composition of Our Board

Currently, our Board consists of nine Directors, including four Executive Directors, one non-executive Director, and four independent non-executive Directors. In terms of gender, there are five female Directors and four male Directors.

OUR BOARD (Continued)

Composition of Our Board (Continued)

Executive Directors

Mr. Liu Jianhui *(Chairman of the Board and Chief Executive Officer)*
Ms. Qu Shuo
Mr. Chen Shancheng
Mr. Chen Zeming

Non-executive Director

Ms. Liu Hong (appointed on 10 January 2024)

Independent Non-executive Directors

Ms. Wang Yingbin
Ms. Wong Yan Ki, Angel
Mr. Tian Tao
Ms. Xiao Huilin (appointed on 15 February 2023)

Biographical details of the Directors are set out in the “Biographics of Directors and Senior Management” of the report.

Mr. Liu Jianhui and Ms. Qu Shuo are spouses. Save as disclosed in the report, to the best knowledge of our Board, there are no other financial, business, family or other significant relationships/connections between members of our Board.

OUR BOARD (Continued)

Board Meetings, Committee Meetings and General Meetings

The Directors' attendances at Board Meetings and Committee Meetings during the Reporting Period are summarized in the table below:

Name of Director	Board	Remuneration Committee	Nomination Committee	Audit Committee	General Meeting
Executive Directors:					
Mr. Liu Jianhui	7/7	0/0	0/0	0/0	1/1
Ms. Qu Shuo	7/7	0/0	0/0	0/0	1/1
Ms. Huang Tingting*	3/7	0/0	0/0	0/0	N/A
Mr. Chen Shancheng	7/7	0/0	0/0	0/0	1/1
Mr. Chen Zeming	7/7	0/0	0/0	0/0	1/1
Non-executive Director:					
Ms. Liu Hong**	N/A	N/A	N/A	N/A	N/A
Independent non-executive Directors:					
Ms. Wang Yingbin	7/7	2/2	2/2	3/3	1/1
Ms. Wong Yan Ki, Angel	7/7	2/2	2/2	3/3	1/1
Mr. Tian Tao	7/7	2/2	2/2	3/3	1/1
Ms. Xiao Huilin***	6/6	N/A	N/A	N/A	1/1

* Ms. Huang Tingting resigned on 29 March 2023.

** Ms. Liu Hong was appointed on 10 January 2024.

*** Ms. Xiao Huilin was appointed on 15 February 2023.

OUR BOARD (Continued)

Board Meetings, Committee Meetings and General Meetings (Continued)

Under the code provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Our Company held ten Board meetings from 1 January 2023 to the date of the report. All Directors attended these ten meetings. Going forward, our Company will fully comply with the requirement under the code provision C.5.1 of the CG Code to convene at least four regular meetings each year at approximately quarterly intervals, to discuss our Company's overall strategies as well as operational and financial performance. Other Board Meetings shall be held as and when necessary.

During the Reporting Period and as at the date of the report, our Company has held 7 Board Meetings, 3 Audit Committee Meetings, 2 Nomination Committee Meetings, 2 Remuneration Committee Meetings, and 1 General Meeting.

All Directors have the opportunity to include matters in the agenda for a regular Board meeting. Notices of regular Board meetings will be sent to Directors at least 14 days before the meeting date. For other Board and committee meetings, reasonable time is generally given.

The agenda together with relevant information will be sent to all Directors at least 3 days before each Board/Board committee meeting to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management when necessary. Directors can, upon reasonable request, seek independent professional advice in appropriate circumstances, at the expenses of the Company. The Board shall resolve to provide separate independent professional advice to Directors to assist the relevant Directors to discharge their duties to the Company.

Minutes of each Board meeting will be drafted by the Company Secretary or appointed secretary to record the matters discussed and decision resolved at the Board meetings and circulated to the Board for comment within a reasonable time after each meeting. The final Board minutes are available for inspection by Directors.

OUR BOARD (Continued)

Chairman of the Board and Chief Executive Officer

Mr. Liu Jianhui, the Chairman and also the Chief Executive Officer, is responsible for the overall management and strategic planning of our Group.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive shall be separate and shall not be performed by the same individual. Mr. Liu currently holds both positions. Since establishment of our Group in 2012, Mr. Liu has been key leadership figure of our Group who has been deeply involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group's operations as he directly supervises our Directors (other than himself) and members of our senior management. Taking into account the continuation of the implementation of our business plans, our Directors (including our independent non-executive Directors) consider Mr. Liu the best candidate for both positions and the present arrangements are beneficial to and in the interests of our Company and our Shareholders as a whole.

Our Board will regularly review the strengths and weaknesses of this management structure and will take appropriate measures that may be necessary in the future, taking into account the nature and scope of our Group's business.

Independence of Independent Non-executive Directors

During the Reporting Period and as at the date of the report, our Board always complied with the requirements of the Listing Rules for the appointment of at least three independent non-executive Directors who shall account for one third of our Board. One of these independent non-executive Directors shall have an appropriate professional qualification or expertise in accounting or related financial management. Our Board has received annual written confirmations of the independence from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent persons.

Appointment, Re-election and Removal of Directors

The procedures and processes for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee shall be responsible for reviewing the composition of our Board, developing and formulating procedures for nominating and appointing directors, overseeing the appointment and succession planning of directors, and assessing the independence of independent non-executive Directors. In selecting and approving candidates for directors, our Board considers various criteria such as educations, qualifications, experiences, integrity and potential contributions to our Group.

Each of the executive Directors has entered into a service agreement with our Company for a term of three years, subject to renewal after the expiry of the current term. Each of the independent non-executive Director has entered into a letter of appointment with our Company for a term of three years. Ms. Liu Hong, our non-executive Director, has entered into a service agreement for her appointment with the Company for a term of three years from 10 January 2024. According to the Articles of Association of our Company, all Directors of our Company must retire from office by rotation at an annual general meeting at least once every three years.

According to the Articles of Association of our Company, all Directors of our Company are subject to retirement by rotation at an annual general meeting at least once every three years. Any new Director appointed by the Board to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting of the Company after appointment.

OUR BOARD (Continued)

Responsibility, Accountability and Contribution of Our Board and Management

Our Board shall have the responsibility of leading and controlling our Company and shall be jointly responsible for directing and overseeing the affairs of our Company.

Our Board shall formulate strategies and oversee the implementation of strategies directly or indirectly through its committees to lead and provide guidance to the management, oversee the operation and financial performance of our Group, and ensure the effective functioning of the internal control and risk management system.

All Directors (including independent non-executive Directors) shall bring valuable business experiences, knowledge and expertise in a variety of areas to our Board, so that our Board can function effectively and efficiently. The routine operations of our Group and the execution of the business plan are delegated to the management of our Group. Any significant transaction shall be approved by our Board in advance. In addition, our Board has established Board Committees and delegated various responsibilities to these Board Committees as set out in their terms of reference.

All Directors have full and timely access to all information of our Company, and, at a request, can seek independent professional advice in appropriate circumstances to discharge their duties to our Company at our Company's expenses. Our Company has written guidelines on no less exacting terms than the Model Code for its employees who may have unpublished internal information about our Company. No incident of non-compliance of the guidelines was noted.

All Directors shall ensure that they comply in good faith with applicable laws and regulations in discharge of their duties and at all times act in the interest of our Company and its shareholders. In addition, each Director shall ensure that he/she can devote sufficient time and attention to our Company's affairs, and shall disclose the number and nature of his/her position(s) in listed companies or organizations and other major commitments, as well as the identities of the listed companies or organizations and the time involved. Directors have agreed to disclose their commitments and any subsequent changes thereof to our company in a timely manner.

Continuing Professional Development of Directors

All Directors shall participate in the continuous professional development to deepen and further improve their knowledge and skills, and ensure that they make informed and relevant contributions to our Board. Newly appointed Director will be arranged a comprehensive, formal and tailored induction which includes provision of key guidelines, documents and publications relevant to their roles, responsibilities and ongoing obligations; a briefing on the Company's structure, businesses, risk management and other governance practices and meeting with other fellow Directors so as to help the newly appointed Directors familiarize with the management, business and governance policies and practices of the Company, and ensure that they have a proper understanding of the operations and businesses of the Company. Directors shall participate in continuous professional development courses and seminars organized by professional institutions or professional firms and read materials on relevant topics so that they can continuously deepen and further improve their knowledge and skills.

Our Company will arrange internal briefing sessions for Directors and issue reading materials on relevant topics to the Directors as appropriate. Every newly appointed Director of the Company will be briefed by a qualified professional on the general and specific duties of a director under legal and regulatory requirements. Ms. Liu Hong obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 10 January 2024. Ms. Liu Hong has confirmed that she understood her obligations as a Director of the Company. During the Reporting Period, all Directors, namely Mr. Liu Jianhui, Ms. Qu Shuo, Mr. Chen Shancheng, Mr. Chen Zeming, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin have been provided with reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances.

OUR BOARD (Continued)

Liability Insurance for Directors and Officers

According to the Articles of Association and applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate insurance covering the potential legal actions against its Directors and officers.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of our Company's activities. Written terms of reference have been formulated for each committee, which are in line with the relevant CG Code and available to shareholders on our Company's website and the Hong Kong Stock Exchange's website. The committees will report their findings and decisions and make necessary recommendations to the Board.

Minutes of committee meetings will be drafted by our company secretary or appointed secretary and circulated in due course to committee members for comments. The final version of the minutes are open for inspection by any Director. All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are be able to seek independent professional advice in appropriate circumstances at our Company's expenses. The chairmen and members of these Board Committees are listed in the "Corporate Information" of the report.

Details of each committee and their duties are as follows:

Audit Committee

Our Company established an Audit Committee with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and the CG Code. The Audit Committee comprises Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao as its members. Ms. Wong Yan Ki, Angel, an independent non-executive Director holding the appropriate professional qualifications, was appointed to serve as the Chairperson of the Audit Committee.

The primary duties of the Audit Committee are mainly to make recommendations to our Board on the appointment and dismissal of the external auditor, review the financial statements and information, provide advice in respect of financial reporting and oversee the internal control procedures of our Company. The terms of reference of the Audit Committee are in line with the provisions of the CG Code and are available on our Company and the Hong Kong Stock Exchange website.

During the Reporting Period, the Audit Committee held 3 meetings, to, amongst others, review the appointment of BDO Limited as the auditor of our Group the effectiveness and adequacy of the risk management and internal control system, review and oversee the independence and objectivity of the external auditor and the effectiveness of audit procedures, the audit scope and reporting obligations of the external auditor, the expected form and content of the audit report of the independent auditor in 2022 as well as the consolidated financial statements, annual report and annual result announcement for the year ended 31 December 2022 and the interim results of the Company for the six months ended 30 June 2023.

BOARD COMMITTEES (Continued)

Remuneration Committee

Our Company established a Remuneration Committee with written terms of reference in compliance with Rules 3.25 to 3.27 of the Listing Rules and the CG Code. The Remuneration Committee comprises Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel and Mr. Tian Tao as its members. Ms. Wang Yingbin was appointed as the Chairperson of the Remuneration Committee. The primary functions of the Remuneration Committee are to make recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review the contract terms of Directors and senior management of the Group, make recommendations to the Board on the remuneration packages of individual Directors and senior management, review and approve incentive schemes and performance-based remuneration and ensure none of our Directors is in a position to determine their own remuneration. The terms of reference of the Remuneration Committee are in line with the provisions of the CG Code and are available on our Company's website.

During the Reporting Period, the Remuneration Committee held 2 meetings, to review the remuneration of Ms. Xiao Huilin, the newly appointed independent non-executive Director and to review and make recommendation to the Board on the remuneration policy, remuneration package and structure of all Directors and senior management of the Group.

Details of the remuneration for the Directors for the year ended 31 December 2023 are set out in Note 14 to the consolidated financial statements.

Directors' and Senior Management's Remuneration

For the year ended 31 December 2023, the aggregate amount of remuneration paid by our Group (including salaries, allowances, discretionary bonus and contributions to pension schemes) to our Directors was approximately RMB3,542,000. Details of directors' remuneration are set out in Note 14 to the consolidated financial statements.

For the year ended 31 December 2023, the aggregate amount of remuneration paid by our Group to the five highest paid individuals (other than directors) was approximately RMB1,186,000. Details of the five highest paid individuals of our Group are set out in Note 14 to the consolidated financial statements.

Remuneration levels are based primarily on experiences, terms of reference, work performances, time invested in our Company, prevailing market prices, salaries paid by comparable companies and remuneration packages elsewhere in our Group. The remuneration paid to the directors and senior management of our Company in 2023 falls within the following scope:

	Number of Individuals
HKD0 to HKD1,000,000	11
HKD1,000,000 to HKD2,000,000	1

BOARD COMMITTEES (Continued)

Nomination Committee

Our Company established a Nomination Committee with written terms of reference in compliance with 3.27A of the Listing Rules. The Nomination Committee comprises Mr. Tian Tao, Ms. Wang Yingbin and Ms. Wong Yan Ki, Angel as its members. Mr. Tian Tao was appointed as the Chairperson of the Nomination Committee. The primary functions of our Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and make recommendations to our Board on any proposed changes to our Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to our Board on the selection of individuals nominated for directorships; assess the independence of our independent non-executive Directors; and make recommendations to our Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of the chairman and the chief executive officer. The terms of reference of the Nomination Committee are in line with the provisions of the CG Code and are available on our Company and the Hong Kong Stock Exchange website.

During the Reporting Period, the Nomination Committee has held two meetings to review the nomination of Ms. Xiao Huilin as a new independent non-executive Director and the structure, number, and composition of the Board, assess the independence of the independent non-executive Directors, and consider matters such as the re-election of Directors at the annual general meeting.

Board Diversity Policy

The Company has adopted the Board Diversity Policy, which sets out the objectives and approaches to enhance the effectiveness of the Board and maintain a high standard of corporate governance and diversity of the Board. In accordance with the Board Diversity Policy, the Company seeks to achieve the diversity of the Board by considering a number of factors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and length of service.

The Board comprises five female Directors and four male Directors with a balanced mix of knowledge and skills in areas such as information technology, creative media, business and operations management, investment management, accounting, and financial management. The Board believes that the composition of the Board satisfies the requirements of the Board Diversity Policy.

As at 31 December 2023, the full-time employees of the Group (including the senior management comprise about 39.71% male and 60.29% female.)

We are also committed to adopting a similar approach to promote diversity at all other levels of the Company, including the Board, to enhance the effectiveness of our corporate governance as a whole.

The Nomination Committee is responsible for reviewing the diversity of the Board annually. The Nomination Committee monitors and evaluates the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness.

Currently, the Nomination Committee considers that our Board fully satisfies the Board Diversity Policy and has no other measurable targets left unaccomplished.

During the year ended 31 December 2023, the Nomination Committee also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board.

BOARD COMMITTEES (Continued)

Corporate Governance Function

The Company does not have a corporate governance committee. The Board is responsible for performing the functions set out in A.2.1 of the CG Code. With the assistance of the Audit Committee, the Board reviews the Group's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the compliance of the Group's policies and practices with legal and regulatory requirements, and the compliance of the Group with the Model Code and CG Code and the disclosure requirements in the Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms its responsibility for the Company's risk management and internal control systems and reviews the effectiveness of such systems. Risk management and internal control measures are designed to manage, but not eliminate, the risk of failure in operational systems and achievement of the Group's objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board, through the established internal audit function, conducts annual reviews on the effectiveness of the Group's internal control system, including risk management and internal control, as well as the resources of the Company's financial and accounting reporting departments, in accordance with the applicable legal requirements and other internal control regulatory requirements.

In the Reporting Period, the Board reviewed the effectiveness of the Company's risk management and internal control systems and considered the systems as effective and adequate. The annual review also covers the financial reporting and internal audit functions, as well as the qualifications, experience, and relevant resources of employees.

The Company recognizes that risk management is essential to the success of its business operations. The main operating risks faced by the Company include the overall market conditions and changes in the regulatory environment in FMCG, footwear and apparel, and real estate industries.

The Board continuously monitors the Group's risk management framework, reviews the Group's significant risks and conducts an annual review of the effectiveness of the risk management system. The Board determines the nature and extent of significant risks it is willing to take in achieving the strategic objectives of the Group.

To monitor the continuous implementation of risk management policies and corporate governance measures, we have adopted the following risk management measures:

- Establish the Audit Committee to review and supervise our financial reporting process and internal control system. Our Audit Committee consists of three members, comprising Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao and chaired by Ms. Wong Yan Ki, Angel, all of whom are independent non-executive Directors.

- Adopt various policies and systems in terms of, among others, anti-corruption, anti-money laundering, financial reporting, fixed asset and bank account management, information system maintenance, conflict of interests management; and

- Put in place a whistle-blowing mechanism for employees, customers and suppliers for reporting and handling of corruption conduct. The Board has designated the Audit Committee to receive on his behalf any such reports, to oversee the conduct of subsequent investigations, and to provide information, including recommendations arising from any investigations to Audit Committee for consideration by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

To ensure the compliance with the advertising laws in the PRC, we have adopted the following internal control measures:

- We have implemented certain provisions in the contracts with our customers that require them to provide us with the corresponding qualifications in relation to the advertising content to ensure the legality of and compliance with the relevant laws and regulations of such content. We also require the customers to warrant that the advertising content entrusted to us shall comply with the advertising laws and relevant laws and regulations in the PRC. Where such provisions in the contract are breached, the customer shall bear liability for such breach.

- We will review the business qualifications of our suppliers to ensure that they are in compliance with the relevant laws and regulations.

- We have implemented certain provisions in the contracts with our suppliers that require them to warrant that the provision of services or products from them are compliant with the advertising laws and relevant laws and regulations in the PRC. For certain suppliers, we require them to provide us with the proof of their relevant advertising qualifications pursuant to the contract.

To prevent infringement of third party intellectual property rights on software, we have adopted the following internal control measures:

- Our IT Department, which serves as a centralised department, is responsible for reviewing and approving all software purchase requests from our employees and for managing the use of our computer system and software; and

- We have established a centralised data system on the Group's software. We perform periodic reviews and examinations, among others, the adequacy of the licences purchased, and the use and management of our software.

With the assistance of the Audit Committee and external consulting firms, the Board has conducted an annual review of the effectiveness of the Group's internal control and risk management systems for the year ended 31 December 2023. The working procedures of the review include, but are not limited to, listening to reports by the business management team and external auditors, reviewing the results of the management's self-assessment and risk assessment of the internal control system, and discussing material risks with the Group's senior management. The Board believes that, during the Reporting Period, the Group's internal control and risk management systems were effective and adequate and the Group has complied with the provisions of the CG Code on internal control and risk management.

The Company has procedures and internal controls for the handling and dissemination of inside information. In practice, employees of the Group who become aware of any events and/or matters which he/she considers this is potentially inside information will report to the designated personnel of the Company who, if considered appropriate, will pass such information to the Board for the purpose of considering and deciding whether or not such information constitutes inside information and disclosure of which shall be made immediately.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board confirms its responsibility for the preparation of the financial statements of the Company for each financial year and makes sure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures that the financial statements are published in a timely manner in accordance with statutory and/or regulatory requirements.

The Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement made by our auditor regarding its responsibilities and opinions on the financial statements is set out in the "Independent Auditor's Report" section of the annual report.

INDEPENDENT AUDITOR'S REMUNERATION

For the year ended 31 December 2023, the remuneration paid to our independent auditor, BDO Limited, for audit and non-audit services is set out below:

Service category	Expenses paid/payable RMB'000
Audit services	1,531
Non-audit services	0
Total	1,531

COMPANY SECRETARY

Our Company engages an external service provider to provide secretarial services. Ms. Chan Yuen Mui ("Ms. Chan") was appointed as our Company's secretary on 26 February 2024. Ms. Chan is the manager of the Governance Services of Computershare Hong Kong Investor Services Limited. Directors have access to the advice and services of the company secretary on corporate governance and the Board's practices and matters.

The primary contact of the Company with Mr. Chen Shancheng, our executive Director.

For the year under review, each of Ms. Chan and Ms. Tang Wing Shan Winza (the former Company Secretary) has received at least 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

The code provision F.1.1 of the CG Code provides that the issuer shall formulate a policy for the payment of dividends and disclose such policy in its annual report. The Company does not have any dividend policy. Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, development pipelines, capital requirements and surpluses, general financial conditions, contractual limitations, and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws.

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2023.

SHAREHOLDERS' RIGHTS AND COMMUNICATIONS

Communications between the Company and shareholders are carried out through various channels.

To protect the rights and interests of shareholders, our Company will submit independent resolutions on various major individual matters (including the election of individual Directors) at general meetings. According to the Listing Rules, all resolutions proposed at a general meeting of our Company will be voted by poll and an announcement of the voting result will be published on the website of our Company and the Hong Kong Stock Exchange after the conclusion of the general meeting.

Convening an Extraordinary General Meeting

Any one or more shareholders holding, at the date of deposit of a requisition, not less than one-tenth of the paid-up capital of the Company and having the right of voting at general meetings ("Eligible Shareholders") shall be entitled at any time by a written requisition addressed to the Board or the Company Secretary to require the Board to convene an extraordinary general meeting for the transaction of any business specified in the requisition, including making recommendations and proposing resolutions at the extraordinary general meeting.

An Eligible Shareholder who wish to convene an extraordinary general meeting to make a recommendation or propose a resolution at the extraordinary general meeting must deliver to the head office or the principal place of business in Hong Kong a written requisition (the "Requisition") signed by the Eligible Shareholder concerned.

The Requisition must clearly state the name of the Eligible Shareholder concerned, his/her shareholding in the Company, the reason for convening the extraordinary general meeting, the proposed agenda to be included, and the particulars of the business proposed to be transacted at the extraordinary general meeting, and be signed by the Eligible Shareholder concerned.

If the Board, within 21 days of the deposit of the Requisition, neither notifies the Eligible Shareholder of any contrary result, nor proceeds to convene an extraordinary general meeting, the Eligible Shareholder may convene an extraordinary general meeting in accordance with our Articles of Association and Memorandum of Association and organizational structure. All reasonable expenses incurred by the Eligible Shareholder concerned as a result of the failure of the Board to convene the extraordinary general meeting shall be reimbursed to the Eligible Shareholder concerned by the Company.

SHAREHOLDERS' RIGHTS AND COMMUNICATIONS (Continued)

Inquiry to the Board and Contact Details

The shareholders of the Company may submit their inquiries and concerns in writing by addressing them to the Board by post or delivery to the head office or the principal place of business in Hong Kong. Generally, the Company does not deal with verbal or anonymous inquiries.

Attention: Board of Directors of Many Idea Cloud Holdings Limited
Address: 12/F, ERKE Group Mansion, 11 Guanyin Shan, Hualian Road, Siming District, Xiamen, Fujian Province, PRC
Principal place of business in Hong Kong: 2408, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong

For the avoidance of doubt, a duly signed original of the requisition, notice, statement, or inquiry, as the case may be, must be sent by a shareholder to the above address, together with the full name, contact details, and identity of the shareholder. Shareholder information may be disclosed in accordance with the law.

Putting Forward Proposals at General Meetings by Shareholders

The Company's shareholders who wish to put forward a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. For Shareholders' right to nominate candidates for directors, please refer to "Procedures for Shareholders to propose a person for election as a Director" on the website of our Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with shareholders is important to strengthening investor relations and investors' understanding of the Group's business performance and strategies. The Company is committed to maintaining an ongoing dialogue with our shareholders, in particular through the AGM and other general meetings. Directors or their representatives (if applicable) will meet with the shareholders at the forthcoming AGM and reply to inquiries.

To facilitate effective communication, the Company maintains a website https://www.manyidea.cloud/, which contains information and updates on our business development and operations, financial information, corporate governance practices, and other data for public inspection. The Company is of the view that the current channel of shareholders communication was implemented effectively during the year ended 31 December 2023 as the Company was able to understand the views of its shareholders through the channels described above.

CHANGE OF CONSTITUTIONAL DOCUMENTS

The Articles of Association were amended and restated on 12 October 2022, effective from the Listing Date. During the Reporting Period and as at the date of the report, the Company has not made any material alterations to its constitutional documents. The latest versions of the Memorandum and Articles of Association are available on the websites of the Company and the Hong Kong Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 ABOUT THE ESG REPORT

Many Idea Cloud Holdings Limited (the "Company") and its subsidiaries (the "Group" or "We") are pleased to issue our environmental, social and governance report (the "ESG Report" or the "Report") to demonstrate our principles and sustainable development philosophy in fulfilling our corporate social responsibility and to summarize our environmental, social and governance ("ESG") work and practices, thus helping stakeholders to better understand our progress and direction on sustainability issues.

• Scope of the ESG Report

The ESG Report covers the Company and its subsidiaries. The Reporting Period ranges from 1 January 2023 to 31 December 2023 (the "Reporting Period"). The environmental KPIs disclosed in the ESG Report cover our main premises in Xiamen, Xinjiang, and Hainan.

• Reporting criteria

The ESG Report was prepared in accordance with Appendix 27 of the Listing Rules of Securities of the Stock Exchange of Hong Kong Limited ("SEHK") – Guidelines on Environmental, Social and Governance Report (the "ESG Guidelines"). The ESG Report complies with the "comply or explain" disclosure requirements of the ESG Guidelines and explains the inapplicable disclosure provisions. The ESG Report has been prepared in accordance with the following reporting principles:

"Materiality": The Group determines important ESG topics through stakeholder engagement and materiality assessment which have been disclosed in the ESG Report;

"Quantification": The criteria, methodologies, and sources of emission factors used in reporting emissions and energy data have been disclosed in the ESG Report;

"Consistency": Unless otherwise specified, we adopt methods and framework of reporting consistent with the internal records of the Group in collecting data in relation to environmental and social key performance indicators, and strive to enhance the comparability across reporting years.

Balance: This Report makes objective and fair disclosures, reports to stakeholders our performance and challenges on sustainability in a candid manner, and provides to stakeholders the information necessary for making investment decisions.

Feedback

For details in relation to our financial performance and corporate governance, please visit our website on https://www.manyidea.cloud/ and our annual report. We also treasure your feedback and comments on our sustainability performance, please send your feedback and other sustainability enquiries to our head office at info@many-idea.com.

The Board of Directors is responsible for monitoring the Group's ESG-related risks over time, and it confirmed that appropriate and effective ESG risk management and internal control systems are in place.

1 ABOUT THE ESG REPORT (Continued)

1.1 About Many Idea Cloud

Founded in 2012 and listed on the Main Board of the Hong Kong Stock Exchange in November 2022 (stock code: 6696), Many Idea Cloud Holdings Limited ("Many Idea Cloud") is a leading one-stop digital smart marketing service provider in China.

In 2012, Many Idea Cloud launched public relations event planning services. We expanded our business operations to include digital marketing and media advertising services with the continuous upgrading of the industry. In 2016, Many Idea Cloud expanded its operations related to content marketing which is also the basis for the Company to become a leader in the marketing industry for decades. With the increasing demand of the market, customers' voices on online private traffic have also become extremely high. Many Idea Cloud initiated the development of SaaS interactive marketing services in 2018 and officially launched the SaaS interactive marketing (Content Engine) platform in 2021. In 2023, Many Idea Cloud became the national first-class agent of Ocean Engine.

The business model of Many Idea Cloud focuses on integrated marketing and content e-commerce. Integrated marketing includes content marketing, digital marketing, public relations event planning, and media advertising. By integrating "online" and "offline" media channel resources, Many Idea Cloud provides customers with integrated marketing solutions, thus improving the publicity effect of customer marketing activities.

In terms of integrated marketing: Through our long-standing strategic partnerships with well-known leading media platforms such as Toutiao, Tiktok, Kuaishou, NetEase, Xiaohongshu and Baidu, we have provided customers with one-stop online and offline integrated marketing solutions featuring media + creativity.

In terms of content e-commerce: Through our capabilities in live streaming operation, short video recommendation, KOL distribution comprehensive e-commerce operation, we have assisted customers in reducing customer acquisition costs and improving sales via TikTok.

1.2 ESG Governance Structure

In view of the importance of enhancing our environmental and social benefits to sustainable operations, we have incorporated ESG risks and opportunity factors into our business strategy and established an ESG management organizational structure with clear responsibilities to guide our day-to-day business operations. We will regularly review our ESG policies and strategies to ensure that they are relevant and applicable to our business.

We have established an ESG management system to define the management functions and responsibilities at all levels. The ESG Working Group comprised relevant heads of various functional departments is responsible for carrying out specific work and assisting the Board of Directors of the Company (the "Board") in keeping abreast of our ESG risks and work to better integrate ESG factors into our planning and day-to-day operations.

1 ABOUT THE ESG REPORT (Continued)

1.2 ESG Governance Structure (Continued)

Our Board

- Act as the highest decision-making body for ESG management;
- Supervise the Group's ESG matters and assume full responsibility for the Group's ESG strategies and reporting;
- Formulate ESG management policies and strategies, including assessing, prioritizing, and managing key ESG-related issues and their risks to the Company's business;
- Review the Group's ESG performance and progress toward achieving its objectives at regular intervals; and
- Monitor and approve annual ESG reports at regular intervals.

Management

- Arrange for the ESG Working Group to carry out relevant work according to the policies and strategies formulated by the Board;
- Report ESG-related risks and opportunities to the Board; and
- Provide the Board with the Group's annual ESG performance and annual ESG reports.

ESG Working Group

- Designate personnel to carry out day-to-day ESG work and prepare annual ESG reports;
- Report daily ESG performance to the management; and
- Collect information and data, prepare annual ESG reports and report the reports to the management.

1 ABOUT THE ESG REPORT (Continued)

1.3 Stakeholder Communication

We highly value the comments and suggestions of stakeholders and use the same as an important reference for the development of business strategies. We have initiated close communication with our stakeholders through various channels to better understand their expectations and demands.

Key Stakeholder	Communication Channels
Customer	• Customer Service Centre • Activities to increase customer loyalty • Daily operation and communication • Online service platforms • Via telephone • Via email
Employee	• Performance appraisal and interviews • Panel discussions • Meeting interviews • Special Advisory Committee, and Panels • Employee communication meetings • Employee intranet
Shareholder/Investor	• Annual general meeting and other general meetings • Quarterly, interim, and annual reports • Corporate communications, such as letters to shareholders, circulars, and notices of meetings • Results announcements • Meeting of investors
Business Partner	• Meetings and conferences • Interviews • Reports
Supplier	• Appraisal system for suppliers and contractors • Meetings and conferences
Regulatory Authority	• Meetings and conferences
Media	• Press releases • Results announcements
Community/ Non-governmental organisation	• Volunteer activities • Donation
Competitor	• Group announcements

1 ABOUT THE ESG REPORT (Continued)

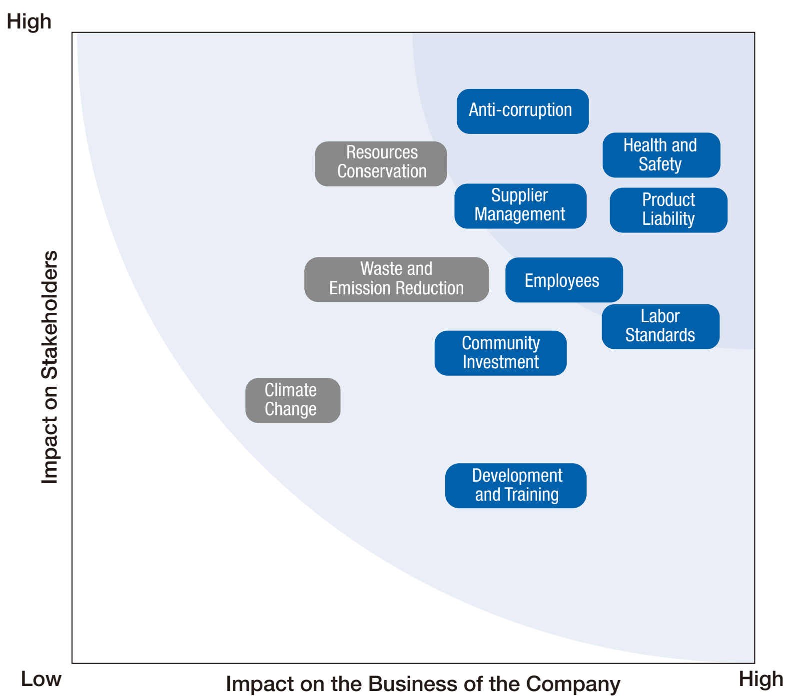
1.4 Substantive Evaluation

In 2023, we identified key ESG issues through substantive evaluations by the following steps, so as to guide the Group's ESG:

1. Identification of ESG issues: According to the requirements of the ESG Guidelines, we identified 11 ESG issues related to the Group based on our business development strategy, industry trends and the concerns of internal and external stakeholders;

2. Scoring and ranking: We scored and ranked the ESG issues identified, evaluated and adjusted the issues in two dimensions: "impact on the business of the Company" and "impact on stakeholders", and compiled a substantive evaluation matrix; and

3. Evaluation results: The Group's management and ESG Working Group determined a preliminary result through discussion, and finally identified and highlighted the key ESG issues of the Group for disclosure in this report.



Material Assessment Results

2 CREATING EXCELLENT PRODUCTS

2.1 Iteration and Upgrade of Products

The knee-jerk response to the normalized prevention and control of COVID-19 is becoming a routine business rhythm, and the SaaS market is one of the intrinsic drivers for the digital transformation of enterprises. In terms of SaaS interactive marketing and internal IP development, we continued to consider the situation changes in products, brands, channels and other scenarios from the perspective of customers, and upgraded our marketing strategies to accelerate the digital development process.

2.2 Optimization of Service Quality

We regard our customers as the foundation of our business and continue to provide services and create value for our customers to achieve win-win results with them. We continued to benefit from our large customer base by strengthening the liquidity of our existing customers. We monetised subscription solutions and merchant solutions through cross-marketing and cross-selling between different products and services, as well as upgrades of products and services.

On the basis of SaaS services and understanding the real needs of merchants, we provided integrated services, such as system services, traffic orders, recommendations for management, and talent services, to assist merchants in the smooth transition of all links in the business process and allow for a more efficient transaction process, better experience and a healthier ecological environment, thus bringing long-term benefits to merchants.

We always insist on serving customers in an open, flat and equal manner, and providing a series of smart business solutions to continuously create value for our customers and assist enterprises in digital transformation, achieving smarter business.

2.3 Protection of Information Security

As a leading one-stop digital smart marketing service provider in China, we not only improve customer service quality and work efficiency and launch high-quality digital products, but also strictly abide by national laws and regulations, implement strict information management processes, sort out and optimize the information security management system, and define the division of responsibilities of the security system to protect data management and customer information confidentiality.

We treat the data privacy of our customers and their consumers as confidential. The Group protects the personal information of customers and their consumers through SaaS technology research and development. The Group strictly abides by the Regulations of the People's Republic of China on Information Protection and Security Protection of Computer Information Systems, the Cybersecurity Law of the People's Republic of China, the Provisions on Technical Measures for Internet Security Protection, the Measures for the Administration of Internet Information Services, the Measures for the Administration of Security Protection of International Networking of Computer Information Networks and other relevant laws and regulations.

As our business will involve private information, we attach great importance to information security, and also provide relevant training for employees to strengthen their awareness and responsibility of safeguarding data security.

2 CREATING EXCELLENT PRODUCTS (Continued)

2.4 Supplier Management

In order to provide our customers with higher-quality services and win-win cooperation, we are also paying attention to the risk management of our suppliers and urging them to pay attention to the environmental and social risks that can arise during the service process. We have established a standardized supplier management mechanism, giving priority to partners who are socially responsible and adopt environmentally friendly products and services, and working with suppliers to improve environmental and social performance and to grow together in the Internet era for sustainable development.

3 ATTACHING IMPORTANCE TO EMPLOYEE CARE

3.1 Talent Cultivation

The Company's steady development cannot be achieved without a high-quality talent team. We are fully aware that the recruitment of talents is crucial to the development of the Group. In order to strengthen the competitiveness of the Group, we continuously review and improve our training system and develop annual training plans to efficiently improve the professional skills of our employees.

We have also developed training plans according to the needs of employees at different levels. Therefore, we constantly improve our talent team building plan, strive to provide a healthy, safe, equal and inclusive working environment for our employees, eliminate any form of discrimination related to gender, marital status, age, race, skin colour, disability, nationality, religion, etc., to achieve mutual growth with our employees.

3.2 Employee Management Practices

We strictly abide by the Labour Contract Law of the People's Republic of China, the Labour Law of the People's Republic of China, the Regulations for the Implementation of the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Regulations on the Prohibition of Child Labour and other local laws and regulations.

Recruitment and Dismissal

Our Human Resources Department will formulate quarterly recruitment plans according to the actual needs of each business unit and recruit talents through various channels. We take education, work experience and other factors into consideration in the recruitment process and assess applicants in a variety of ways to select the right person. During the assessment process, the Human Resources Department will check the applicant's identity documents to ensure that the employees recruited meet the legal requirements. We will sign a legal employment contract with each employee recruited on an equal, voluntary and consensual basis, so as to protect the rights and interests of both parties.

We set out the specific conditions and procedures for terminating the labour contract with employees in the Employment Contract and Employee Manual, to ensure that no employees are dismissed at will.

3 ATTACHING IMPORTANCE TO EMPLOYEE CARE (Continued)

3.3 Life Care for Employees

We understand the importance of work-life balance. Therefore, we have developed the Welfare System. In addition to the five social insurances and one housing fund and statutory holidays, we also provide employees with paid annual leave, sick leave, marriage leave, maternity leave, paternity leave, work-related injury leave, funeral leave, etc. We will provide gifts to celebrate every statutory holiday and employee's birthday, as well as many other benefits, such as moon cakes for Mid-Autumn Festival, and year-end dinner. In order to strengthen communication and contact between employees, we also hold various team-building activities and club activities from time to time.

3.4 Safeguarding Health and Safety

The Group strictly abides by the requirements of laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Work Safety Law of the People's Republic of China, the Regulations on the Supervision and Administration of Occupational Health in the Workplace and the Regulations on Work-related Injury Insurance. In addition to providing employees with the necessary training and guidance on occupational safety and health, we also conduct general safety education for new employees to acquaint them with the Group's safety regulations and emergency measures.

We provide free annual medical check-ups for our employees, so as to get them into the habit of health check-ups. We will constantly review and improve the Group's health and safety management system to enhance the healthy quality of life of our employees.

4 PURSUING GREEN DEVELOPMENT

The Group strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution and other relevant laws and regulations.

Although the Group's business does not have a significant impact on natural resources, we actively take appropriate environmental measures to enhance the Group's environmental performance. Also, we raise the environmental awareness of our employees through publicity and by encouraging them to participate in environmental activities.

4 PURSUING GREEN DEVELOPMENT (Continued)

4.1 Green Office

We actively promote the concept of green office and encourage our employees to start out small and gradually enhance their awareness of environmental protection and energy conservation. In 2023, the Group took a series of measures for energy conservation and emission reduction:

- We regularly remove waste and manage waste in strict categories, focusing on recycling waste that can be reused and encouraging recycling;
- We encourage our employees to go paperless, so as to minimize document copying and printing, advocate double-sided printing and reuse of waste paper, and avoid unnecessary paper waste;
- All air conditioner pedals are covered by locking boxes in the offices of the main building, so the temperature in the office area is uniformly controlled at 26°C by the security guard;
- In strict accordance with the Regulations of Xiamen Municipality on Domestic Waste Management, we strengthen the publicity of garbage classification, accelerate the popularization process of garbage classification knowledge, paste posters with garbage classification signs in the office area, and provide garbage cans on each floor uniformly;
- We encourage teleconferencing and web conferencing, and advocate the green meeting mode; and
- We adopt LED lights for our lighting system and make full use of natural light.

The Group's emissions are from GHG emission reduction objects and the Group's vehicles (exhaust gases other than GHG), among which emissions of GHG Scope 1 are mainly from vehicle fuel consumption, and those of Scope 2 are from electricity consumption during operation of the Group. To reduce emissions, we not only regularly maintain our fleet, encourage our employees to take transit trips, and optimize our vehicle routes, but also promote low-carbon technology innovation and actively track low-carbon technologies and new products in the industry.

This year, we continued to conduct GHG inventories for the environmental scope of this report with reference to the GHG Protocol issued by the World Resources Institute and the World Business Council for Sustainable Development and to ISO14064-1 formulated by the International Organization for Standardization. The results are as follows:

Resource consumption	2023
Electricity purchased (kWh)	134,978.13
Fuel consumed by vehicles (L)	19,733.05

Emissions	2023
GHG emissions (tCO_2e)	121.45
Scope 1 (tCO_2e)	15.49
Scope 2 (tCO_2e)	105.96
GHG emission intensity (tCO_2e/revenue (RMB'000))	0.0002

Note:

The GHG emissions are presented in carbon dioxide equivalent, and calculated by the method and conversion factors in the Guidelines for GHG Emission Accounting and Reporting of Public Building Enterprises issued by the National Development and Reform Commission.

4 PURSUING GREEN DEVELOPMENT (Continued)

4.1 Green Office (Continued)

As electricity consumption and fuel consumed by vehicles were the major sources of the Group's GHG emission, the Group will continue to strengthen its energy-saving measures in daily operation. We encouraged our staff to turn off idle appliances and use energy-efficient appliances. The use of natural lighting In our office was also encouraged. Apart from these measures, the Group will also conduct regular checks and maintenance of the vehicles, in order to ensure energy efficiency and minimize the production of GHG.

The Group is well aware of the importance of waste emission reduction. During the Reporting Period, the Group did not generate any hazardous waste. The main business premises of the Group are offices, so the non-hazardous waste is mainly from domestic waste and waste paper, of which the domestic waste mainly includes waste from office supplies and food residues. In terms of the treatment of non-hazardous waste, the non-hazardous waste generated by the Group is collected and processed by the property management unit, and then transferred to the waste transfer station for disposal in accordance with national treatment standards. To maintain a low level of non-hazardous waste, we advocate a paperless work environment and encourage our employees to use electronic systems instead of printed documents. A recycling box has also been placed in the office to collect paper products including paper boxes, envelopes and reusable paper. To further strengthen our reduction in paper waste, the Group will advocate natural resources conservation in a bid to remind our employees of the importance of paper waste education.

Waste generation	Unit	Emissions	
		2023	2022
Total non-hazardous waste produced	Ton(s)	0.6	4.1
Non-hazardous waste production density	Ton(s)/employee	0.004	0.03

4 PURSUING GREEN DEVELOPMENT (Continued)

4.2 Resource Saving

With the goal of rational use of electricity, water and other resources, the Group actively implements different energy conservation measures to prevent the waste of resource. The breakdown of electricity consumption and water consumption of the Group during the Reporting Period is as follows.

Power consumption	Unit	Consumption 2023
Power consumption	MWh	135.0
Power consumption density	MWh/employee	1.0

Water consumption	Unit	Consumption 2023
Water consumption	Ton(s)	528.6
Water consumption density	Ton(s)/employee	3.9

The Group attaches great importance to the management of rational use of resources. The Group has adopted various measures to reduce energy consumption in energy-saving offices, including using high-energy-efficiency equipment, turning off lighting equipment, air-conditioning equipment and other electronic equipment when they are not in use, cleaning electrical appliances regularly and keep it running as efficiently as possible, check electrical appliances regularly and make necessary repairs and maintenance. We also collect statistics on electricity consumption every month to monitor the situation of electricity consumption, find out the reasons for any abnormality and make necessary improvements immediately.

The Group has formulated and adopted a number of regulations on energy conservation and water conservation, implemented education in terms of energy conservation and environmental protection awareness in daily office work so as to improve employees' energy conservation awareness. The Group requires employees to turn off all power, electrical equipment, and air-conditioning systems before getting off work every day and the employee who leaves last each day must make sure that all power is turned off so that electricity can be saved. Meanwhile, we gradually introduce and update energy-saving and water-saving equipment and technologies, respond to the national "double carbon" goals, and promote green development. The Group has a stable source of water supply, and there is no problem in obtaining suitable water sources. In addition, the Group is not involved in the manufacture of any product during its operations, therefore, the Group does not use any packaging materials.

4 PURSUING GREEN DEVELOPMENT (Continued)

4.3 Addressing Climate Change

The Group understands that climate change is closely related to its business development and therefore continuously monitors the impact of climate change on the Group. Through consultation with senior consultants, we assessed and identified the physical risks and transition risks related to climate change this year with reference to relevant international research and the Group's existing risk management policies.

Market risks belonging to transition risks are identified as high risks. We understand that a growing number of stakeholders are increasingly demanding of companies on climate change. If we fail to meet our stakeholders' expectations, we risk losing our reputation, customers and even our competitive edge. In this regard, we will improve the identification of climate change risks and opportunities in accordance with the requirements of the Task Force on Climate-Related Financial Disclosure ("TCFD").

As the Group's geographical location is less likely to be affected by extreme weather (such as hurricanes, heavy rainfall, and flooding) or chronic risks (such as sea level rise), and no high-intensity carbon emissions are from its business, the regulatory risks belonging to physical risks are rated as low risks.

5 ANTI-CORRUPTION

The Group operates with a high standard of integrity and ethics. Employees are required to behave in a manner that demonstrates integrity, ethics and professionalism. It is necessary for them to comply with the applicable laws and regulations of the countries in which the Group operates. The Group has established relevant internal regulations to monitor the behaviour of our staff.

Prior to staff appointments, anti-money laundry checks and reference checks with previous employers may be conducted when it is appropriate.

Despite the Group has no anti-money laundering policy in place, all receipts of monies are matched to the customer invoices before banking in and all payments are matched to valid supplier invoices before processing payment. The Group is committed to further enhancing its anti-corruption system, developing its anti-money laundering policy and providing regular trainings to its employees in the future.

Any unethical approach in connection with the Group's business should be reported to the management. We provide channels for our employees to report instances that they believe to be unethical or in breach of the Group's policies. The Group's whistleblowing policy allows employees to report suspicious cases in a confidential manner.

During the Year, the Group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY

We understand that philanthropy should not simply be about "donating" and "doing good", but requires sustainable self-development and self-regeneration. Therefore, we are committed to helping public interest organizations reduce channel costs and system development costs, enhance their independence, and allow them to devote more energy to social services. In the future, we will also participate in social services and philanthropy to develop ourselves into the most influential enterprise.

Index of ESG Guidelines

Item	Requirements	Index of Report
A1 Emissions	General disclosure Information on exhaust and GHG emissions, discharges to water and land, hazardous and non-hazardous waste Information on emission generation (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the Issuer; *Note:* Exhaust emissions include nitrogen oxides, sulfur oxides, and other pollutants subject to national laws and regulations. GHG emissions include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Hazardous waste has the meaning defined by national regulations.	4.1 Green Office
KPIA1.1	Emission types and relevant emission data	4.1 Green Office
KPIA1.2	Total direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, if applicable, intensity (if calculated per production unit and per facility)	4.1 Green Office
KPIA1.3	Total hazardous waste generated (in tons) and, if applicable, density (if calculated per production unit and per facility)	4.1 Green Office
KPIA1.4	Total non-hazardous waste generated (in tons) and, if applicable, density (if calculated per production unit and per facility)	4.1 Green Office

6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY (Continued)

Index of ESG Guidelines (Continued)

Item	Requirements	Index of Report
KPIA1.5	Describe the emission reduction targets set and the steps taken to achieve such targets	4.1 Green Office
KPIA1.6	Describe the methods for disposing of hazardous and non-hazardous waste, as well as the waste reduction targets set and the steps taken to achieve such targets	4.1 Green Office
A2 Use of Resources	General disclosure Policies for the efficient use of resources, including energy, water, and other raw materials *Note:* Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	4.2 Resource Saving
KPIA2.1	Total consumption of direct and/or indirect energy (such as electricity, gas, or fuel) by type (calculated in thousands of kWh) and density (if calculated per production unit and per facility)	4.2 Resource Saving
KPIA2.2	Total water consumption and density (if calculated per production unit and per facility)	4.2 Resource Saving
KPIA2.3	Describe the energy efficiency targets set and the steps taken to achieve such targets	4.2 Resource Saving
KPIA2.4	Describe any problems that may arise in accessing applicable water sources, as well as the water efficiency targets set and the steps taken to achieve such targets	4.2 Resource Saving
KPIA2.5	The total quantity of packaging materials used in the finished product (in tons) and, if applicable, the estimated quantity per production unit	4.2 Resource Saving
A3 Environment and Natural Resources	General disclosure Policies to reduce the Issuer's significant impact on the environment and natural resources	4.2 Resource Saving
KPIA3.1	Describe the significant impacts of the business activities on the environment and natural resources and the actions taken to manage such impacts	4.2 Resource Saving

6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY (Continued)

Index of ESG Guidelines (Continued)

Item	Requirements	Index of Report
A4 Climate Change	General disclosure Policies to identify and respond to significant climate-related issues that have and may have an impact on the Issuer	4.3 Addressing Climate Change
KPIA4.1	Describe significant climate-related issues that have and may have an impact on the Issuer and actions to address such issues	4.3 Addressing Climate Change
B1 Employment	General disclosure Information on recruitment and dismissal Policies; and Information on compliance with relevant laws and regulations that have a material impact on the Issuer	3.2 Employee Management Practices
B2 Health and Safety	General disclosure Information on the provision of a safe working environment and the protection of employees from occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the Issuer;	3.4 Safeguarding Health and Safety
B3 Development and Training	General disclosure Policies to enhance employees' knowledge and skills in performing their job duties, such as vocational training activities	3.1 Talent Cultivation
B4 Labour Standards	Information on the prevention of child or forced labour: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the Issuer;	3.2 Employee Management Practices
B5 Supply Chain Management	General disclosure Environmental and social risk policies to manage the supply chain	2.4 Supplier Management
B6 Product Liability	General disclosure Information on health and safety, advertising, labelling and privacy matters of and remedies for products and services offered (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the Issuer;	2.2 Optimization of Service Quality 2.3 Protection of Information Security

6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY (Continued)

Index of ESG Guidelines (Continued)

Item	Requirements	Index of Report
KPIB6.1	Describe the consumer data protection and privacy policies, and related enforcement and monitoring methods	2.3 Protection of Information Security
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5 ANTI-CORRUPTION
KPIB7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5 ANTI-CORRUPTION
KPIB7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5 ANTI-CORRUPTION
KPIB7.3	Description of anti-corruption training provided to directors and staff.	5 ANTI-CORRUPTION
B8 Community Investment	General disclosure Policies on community involvement to understand the needs of the communities in which we operate and to ensure that community interests are taken into account in our operations	6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY
KPIB8.1	Focus on areas (such as education, environmental matters, labour needs, health, culture, and sports) to which our contribution is made	6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY
KPIB8.2	Resources (e.g., money or time) used in the focus areas	6 SOCIAL SERVICES BY SCIENCE AND TECHNOLOGY

INDEPENDENT AUDITOR'S REPORT

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TO THE SHAREHOLDERS OF MANY IDEA CLOUD HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Many Idea Cloud Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 84 to 155, which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, 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 OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "'Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Expected credit losses on trade receivables

Refer to note 22 to the consolidated financial statements

As at 31 December 2023, the Group's net trade receivables amounting to approximately RMB313,495,000 which represented approximately 40% of total assets of the Group. The Group's expected credit losses ("ECLs") recognised on trade receivables as at 31 December 2023 amounted to approximately RMB111,482,000.

The management is required to apply judgement in assessing the loss allowance for trade receivables under the ECLs model and the management of the Group applies the simplified approach to calculate ECLs, which is measured at an amount equal to lifetime ECLs. This approach is based on management's estimated loss rates for trade receivables. The estimated loss rates take into account the ageing of the trade receivables, outstanding balances and information regarding the ability and intention of the debtor to pay and historical data on default rates and forward looking information, which involves inherent uncertainty.

We identified expected credit loss assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECLs of the Group's trade receivables at the end of the reporting period.

Our response:

We performed audit procedures in relation to management's impairment assessment of trade receivables which included:

- Discussing the ECLs assessment with the management, and together with our own external valuation specialists, where necessary:
  - Evaluating the methodology and key assumptions adopted by management in assessing ECLs and discussing them with management;
  - Challenging the reasonableness of key assumptions based on our knowledge of the business and industry;
  - Checking, on a sample basis, the accuracy and relevance of the input data used by management in capturing the aging; and
- Checking subsequent settlements of the trade receivables on sampling basis to review the reasonableness of the ECLs.

KEY AUDIT MATTERS (Continued)

Revenue recognition of digital marketing services

Refer to note 7 to the consolidated financial statements

The revenue recognised by the Group in connection with digital marketing services for the year ended 31 December 2023 amounting to approximately RMB772,758,000, which represented approximately 65% of the total revenue for the year ended 31 December 2023.

Since revenue is one of the key performance indicators of the Group, and the accurate recognition of revenue has a material impact on data of the financial statements and various financial indicators of the Group. Therefore, revenue recognition of digital marketing services was identified as a key audit matter.

For disclosure on the revenue recognition policy, please refer to Note 4(i)(ii); for disclosure on the revenue, please refer to Note 7.

Our response:

We performed audit procedures in relation to revenue recognition of digital marketing services which included:

– Understanding the revenue recognition policy in connection with the digital marketing services and assess the appropriateness of its revenue recognition;

– Inspecting the revenue contracts, project completion reports and other relevant documents on a sampling basis to evaluate the timing and process of the revenue recognition;

– Perform transaction test by checking the revenue contracts, invoices, project completion reports and other relevant documents to review the existence of the revenue;

– Comparing the actual revenue in connection with the digital marketing services with the budgeted revenue to review the reasonableness of the revenue; and

– Reviewing the disclosure of the consolidated financial statement in relation to the revenue recognition of digital marketing services as well as the presentation of the revenue disclosure.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

DIRECTORS’ RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group’s financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR’S RESPONSIBILITIES FOR AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

BDO Limited
Certified Public Accountants

Chow Tak Sing, Peter
Practising Certificate Number P04659

Hong Kong, 20 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	*7*	**1,192,040**	498,329
Cost of revenue		**(1,074,194)**	(318,699)
Gross profit		**117,846**	179,630
Other revenue	*8*	**10,528**	9,254
Other gains and losses	*9*	**642**	(3,436)
Selling and marketing expenses		**(6,309)**	(6,778)
Administrative expenses		**(24,104)**	(30,493)
Provision for impairment loss on trade receivables and other financial assets, net	*11*	**(65,607)**	(24,844)
Finance costs	*10*	**(2,981)**	(10,419)
Listing expenses	*11*	**–**	(22,183)
Profit before income tax expense	*11*	**30,015**	90,731
Income tax credit/(expense)	*15*	**3,040**	(23,031)
Profit for the year		**33,055**	67,700
Profit for the year attributable to:			
Owners of the Company		**33,067**	67,724
Non-controlling interests		**(12)**	(24)
		33,055	67,700
Profit for the year		**33,055**	67,700
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Expected credit loss on debt instrument measured at fair value through other comprehensive income		**356**	–
Fair value changes on debt instrument measured at fair value through other comprehensive income		**(255)**	–
Other comprehensive income for the year		**101**	–
Total comprehensive income for the year		**33,156**	67,700
Total comprehensive income for the year attributable to:			
Owners of the Company		**33,168**	67,724
Non-controlling interests		**(12)**	(24)
		33,156	67,700
Earnings per share attributable to the ordinary shareholder of the Company (RMB)			
– Basic	*17(a)*	**0.041**	0.102
– Diluted	*17(b)*	**0.040**	0.102

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment	*18*	**1,057**	1,531
Right-of-use assets	*19*	**1,535**	4,411
Intangible assets	*20*	**110,123**	106,134
Financial asset at fair value through other comprehensive income	*21*	**10**	–
Interests in an associate	*23*	**47,000**	–
Deferred tax assets	*27*	**21,898**	9,836
Prepayments, deposits and other receivables	*24*	**14,064**	13,650
Total non-current assets		**195,687**	135,562
Current assets			
Trade receivables	*22*	**313,495**	155,577
Prepayments, deposits and other receivables	*24*	**220,905**	78,794
Contract costs	*25*	**100**	41
Financial asset at fair value through other comprehensive income	*21*	**18,711**	17,390
Cash and cash equivalents	*26*	**26,131**	329,188
Total current assets		**579,342**	580,990
Total assets		**775,029**	716,552
Current liabilities			
Trade payables	*28*	**18,483**	22,585
Other payables and accruals	*29*	**48,803**	19,594
Contract liabilities	*31*	**36,452**	28,179
Borrowings	*30*	**56,555**	32,052
Lease liabilities	*19*	**459**	3,159
Convertible bonds – liability component	*32*	**–**	37,187
Convertible bonds – conversion option derivative	*32*	**–**	–
Income tax payable		**35,861**	28,077
Total current liabilities		**196,613**	170,833
Net current assets		**382,729**	410,157
Total assets less current liabilities		**578,416**	545,719

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**2023 RMB'000**	2022 RMB'000
Non-current liabilities			
Lease liabilities	*19*	**400**	859
Total non-current liabilities		**400**	859
NET ASSETS		**578,016**	544,860
Equity attributable to owners of the Company			
Share capital	*33*	**72**	72
Reserves	*34*	**576,443**	543,275
		576,515	543,347
Non-controlling interests		**1,501**	1,513
TOTAL EQUITY		**578,016**	544,860

The consolidated financial statements on pages 84 to 155 were approved and authorised for issue by the Board of Directors on 20 March 2024 and are signed on its behalf by:

Mr. Liu Jianhui
Executive director

Mr. Chen Shancheng
Executive director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company								
	Share capital RMB'000 *(Note 33)*	Share premium RMB'000 *(Note 34)*	Statutory reserve RMB'000 *(Note 34)*	Merger reserve RMB'000 *(Note 34)*	FVTOCI reserve (recycling) RMB'000 *(Note 34)*	Retained earnings RMB'000 *(Note 34)*	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2022	3	–	1,483	139,821	–	10,665	151,972	1,537	153,509
Profit for the year	–	–	–	–	–	67,724	67,724	(24)	67,700
Total comprehensive income	–	–	–	–	–	67,724	67,724	(24)	67,700
Transfer from retained earnings to statutory reserve	–	–	2,974	–	–	(2,974)	–	–	–
Issue of shares *(Note 33(i))*	1	69,720	–	–	–	–	69,721	–	69,721
Issuance of new shares upon listing *(Note 33(ii))*	14	282,618	–	–	–	–	282,632	–	282,632
Capitalisation issue *(Note 33(ii))*	54	(54)	–	–	–	–	–	–	–
Expenses attributed to issue of new shares upon listing	–	(29,731)	–	–	–	–	(29,731)	–	(29,731)
Deemed capital contribution from a shareholder *(Note i)*	–	1,029	–	–	–	–	1,029	–	1,029
As at 31 December 2022 and 1 January 2023	72	323,582	4,457	139,821	–	75,415	543,347	1,513	544,860
Profit for the year	–	–	–	–	–	33,067	33,067	(12)	33,055
Other comprehensive income									
– Expected credit loss on debt instrument measured at fair value through other comprehensive income	–	–	–	–	356	–	356	–	356
– Fair value changes on debt instrument measured at fair value through other comprehensive income	–	–	–	–	(255)	–	(255)	–	(255)
Total comprehensive income	–	–	–	–	101	33,067	33,168	(12)	33,156
Transfer from retained earnings to statutory reserve	–	–	138	–	–	(138)	–	–	–
As at 31 December 2023	72	323,582	4,595	139,821	101	108,344	576,515	1,501	578,016

Note:

(i) The deemed capital contribution was arising from loan from a shareholder at below-market rate of interest. The amount represented the difference between the original principal amounts of RMB20,157,000 and the fair value on initial recognition of approximately RMB19,128,000.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Profit before income tax expense		30,015	90,731
Adjustments for:			
Depreciation of property, plant and equipment	11	693	661
Depreciation of right-of-use assets	11	2,876	2,879
Amortisation of intangible assets	11	15,567	13,158
Finance costs	10	2,981	10,419
Interest income	8	(1,415)	(1,458)
Provision for impairment loss recognised on trade receivables and debt instrument measured at FVTOCI, net	11	65,607	24,844
Gain on fair value changes of conversion option derivative	9	–	(3,841)
Loss on de-recognition of convertible bonds	9	–	230
Loss on disposal of property, plant and equipment	9	3	–
Effect of foreign exchange rate changes		785	7,631
Operating profits before working capital changes		117,112	145,254
Increase in trade receivables		(225,331)	(32,441)
Increase in prepayments, deposits and other receivables		(143,278)	(28,498)
(Increase)/decrease in contract costs		(59)	43
(Decrease)/increase in trade payables		(3,269)	2,115
Increase in other payables and accruals		29,205	8,420
Increase in contract liabilities		8,273	12,686
Cash (used in)/generated from operations		(217,347)	107,579
Income tax paid		(1,238)	(11,799)
Net cash (used in)/generated from operating activities		(218,585)	95,780
Cash flows from investing activities			
Purchases of property, plant and equipment		(231)	(233)
Prepayment of property, plant and equipment		–	(13,400)
Investment in equity instruments measured at fair value through other comprehensive income		(10)	(17,900)
Capital contribution to an associate		(47,000)	–
Purchases of intangible assets		(19,556)	(31,682)
Proceed from disposal of property, plant and equipment		9	–
Interest received		1,101	1,238
Net cash used in investing activities		(65,687)	(61,977)

	Notes	2023 RMB'000	2022 RMB'000
Cash flows from financing activities			
Proceeds from bank borrowings	*40*	**70,000**	32,000
Repayment of bank borrowings	*40*	**(52,000)**	–
Proceeds from loan from third parties	*40*	**16,450**	101,320
Repayment of loan from third parties	*40*	**(10,000)**	(101,320)
Proceeds from loan from a shareholder	*40*	**–**	19,050
Repayment of loan from a shareholder	*40*	**–**	(20,695)
Proceeds from issuance of convertible bonds	*40*	**–**	44,352
Repayment of convertible bonds	*40*	**(33,813)**	(13,996)
Repayment of principal elements of lease liabilities	*40*	**(3,159)**	(2,920)
Payment of share issue costs		**–**	(29,731)
Repayment to a director	*40*	**–**	(2)
Settlement of consideration arise from business transfer	*40*	**–**	(130,293)
Proceeds from issue of new ordinary shares		**–**	352,353
Interest paid	*40*	**(5,167)**	(4,576)
Net cash (used in)/generated from financing activities		**(17,689)**	245,542
Net (decrease)/increase in cash and cash equivalents		**(301,961)**	279,345
Cash and cash equivalents at the beginning of year		**329,188**	50,187
Effect of foreign exchange rate changes on cash and cash equivalents		**(1,096)**	(344)
Cash and cash equivalents at the end of year		**26,131**	329,188
Analysis of the balances of cash and cash equivalents:			
Cash and bank balances		**26,131**	329,188

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") 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 Hualien 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.

The ultimate controlling parties of the Group are Mr. Liu Jianhui ("Mr. Liu") and his spouse, Ms. Qu Shuo ("Ms. Qu"), who are the executive director/the chairman and the executive director of the board of directors of the Company (the "Controlling Shareholders"), respectively.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

(a) Adoption of new or amended HKFRSs – effective 1 January 2023

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

None of these new or amended 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 amended HKFRSs that is not yet effective for the current accounting period.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

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

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, 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 1	Classification of Liabilities as Current or Non-current[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 21	Lack of Exchangeability[2]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.

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

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

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2022) was revised as a consequence of the Amendments to HKAS 1 revised in December 2022. The revision to HK Int 5 (Revised) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have material impact on the consolidated financial statements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

(b) New or amended HKFRSs that have been issued but not yet effective (Continued)

Amendments to HKAS 21, Lack of Exchangeability

The Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate the comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated 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) New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 ("the Amendment Ordinance") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("MPF") scheme to offset severance payment ("SP") and long service payments ("LSP") ("the Abolition"). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 ("the Transition Date").

The following key changes will take effect since the Transition Date:

– Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

– The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the last month's salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer's mandatory MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published 'Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong' ("the Guidance") in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

– Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of HKAS 19.93(a)

– Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 December 2022 and 2023, the Group's LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

4. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

When the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee when it has power over the investee, is exposed or has rights to variable returns from the investee, and has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Financial statements of subsidiaries are included in the consolidated financial statements from the date control is obtained until the date on which control ceases.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvement	The shorter of 3 years or period of the related lease
Furniture and equipment	20% – 33.33%
Motor vehicles	12.5%

The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is provided on a straight-line basis over their useful lives. The principal annual rate are as follows:

Computer software	10% – 33.33%
Licences	Over the term of licence agreement

The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

SaaS related software acquired in the course of business operation is recognised as computer software. The SaaS related software have a finite useful life that is dependent to the SaaS interactive marketing business of the Group and is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over the expected useful life of the SaaS related software, which is estimated to be 10 years. The expected useful life is principally determined based on (1) the typical term of the service contracts; (2) the business expansion plan of SaaS interactive marketing business formulated by the management; (3) the capability and functionality of the SaaS related software; and (4) technological obsolescence.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments

(i) Financial asset

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(i) Financial asset (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and other debt financial assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12-months ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held); or the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in “FVTOCI reserve (recycling)”.

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

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(iii) Financial liabilities

Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred. They are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Convertible bonds

Convertible bonds issued by the Company that contain the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. Interest related to the liability component is recognised in profit or loss. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss. When the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Interests in associates

Associates are those entities in which the Group has significant influence, but not control or control, over the financial and operating policies.

Interests in associates are accounted for under the equity method. They are initially recognised at cost, which includes any transaction costs. Subsequent to initial recognition, consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the investees, until the date on which significant influence ceases.

(f) Leases

The Group as lessee

All leases are capitalised in the statement of financial position as right-of-use assets and lease liabilities, except for leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recognised at cost and would comprise:

(i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);

(ii) any lease payments made at or before the commencement date, less any lease incentives received;

(iii) any initial direct costs incurred by the lessee; and

(iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the underlying assets.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

The Group as lessee (Continued)

Subsequent to the commencement date, the Group measures the lease liability by:

(i) increasing the carrying amount to reflect interest on the lease liability;

(ii) reducing the carrying amount to reflect the lease payments made; and

(iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

(g) Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(h) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of each reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition

(i) Revenue from content marketing services

Content marketing primarily involve planning, design and production and the implementation of a variety of interactive contents and marketing materials, such as text, pictures, audio, videos, and mini-games to advertise and promote the customer's brands and products. A single performance obligation is generally identified in contracts for content marketing services due to the high degree of integration of the various tasks forming a combined output that is transferred to the customer over time or because the Group is unable to fulfil its promises by transferring each of the services independently. However, where there are contracts with more than one service that are capable of being distinct and are distinct within the context of the contract, those services are accounted for as separate performance obligations, and revenue is allocated to each of the performance obligations based on relative stand-alone selling prices. The stand-alone selling price is estimated using expected cost plus a margin approach, factoring in expected costs of satisfying the performance obligations and add an appropriate margin for that services.

The duration of each project of content marketing projects typically ranges from within one month to ten months. The customer typically would make payments by stages with the first stage of payment shortly after execution of the agreement and the last stage of payment after the delivery of the project report or confirmation by customers of the fulfilment of their obligations under the agreement. Invoices issued are generally payable within 180 days. The Group has applied the practical expedient not to recognise any financing element as the contracts are typically completed within one year and because of the payment terms.

Revenue from content marketing services is recognised over time based on output method because the Group would be required to provide the customer with the design information completed to date in the case of termination and periodically provides the customer with interactive contents and marketing materials in a level of detail that would not require the customer to contract with another entity to substantially re-perform the work.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

(ii) Revenue from digital marketing services

Digital marketing typically involve directly marketing and advertising the customers' brands and products on various online media channels. The Group is primarily responsible for providing strategic advertisements placement strategies and plans; providing design and third party service providers may be engaged by the Group to produce creative advertising contents and materials; procuring and placing of advertising contents on online media channels; and managing and coordinating with those third party service providers involved in the project. The Group also involved in produce creative advertising contents and materials by utilising its staffs. In the provision of such service, the Group periodically pay a fixed fee in exchange for the rights to use certain advertising resources. In most instance, promised services in a contract are not considered distinct or represent a series of services that are substantially the same with the same pattern of transfer to the customer and, as such, are accounted for as a single performance obligation. The promises are not distinct because there is a high degree of integration of the various tasks forming a combined output or because the Group is unable to fulfil its promises by transferring each of the services independently.

The duration of each project of digital marketing projects typically ranges from within one month to twelve months. The customer typically would make payments by stages or after fulfilment of the service obligations in the agreement. Invoices issued are generally payable within 180 days. The Group has applied the practical expedient not to recognise any financing element as the contracts are typically completed within one year and because of the payment terms.

Revenue from digital marketing services is recognised over time based on output method because the customer simultaneously received and consumes the benefits provided by the Group.

(iii) Revenue from public relations event planning services

Public relations event planning services is to provide exclusive marketing solutions to customers targeting for their specific offline marketing and promotion needs involving hosting and execution of events. The Group is generally responsible for running the whole event which may include proposing creative and interactive themes for the event, formulating detailed work plans, procuring supplies such as venue rental and decoration supplies, engaging third party service providers to assist with setting up the event venue, fine-tuning the work plans and overseeing and managing the smooth running of the whole event. A single performance obligation is generally identified in contracts for public relations event planning services due to the high degree of integration of the various tasks forming a combined output that is transferred to the customer over time or because the Group is unable to fulfil its promises by transferring each of the services independently.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

(iii) Revenue from public relations event planning services (Continued)

The duration of each project of public relations event planning services typically ranges from within one month to twelve months. The customer typically would make payments by stages or after fulfilment of the service obligations in the agreement. Invoices issued are generally payable within 180 days. The Group has applied the practical expedient not to recognise any financing element as the contracts are typically completed within one year and because of the payment terms.

Revenue from public relations event planning is recognised over time based on output method because the customer simultaneously received and consumes the benefits provided by the Group.

(iv) Revenue from media advertising services

Media advertising services is to provide exclusive targeted marketing solutions to the customer in one single project by providing media planning services and placement of advertisements on traditional advertising channels. The Group is generally responsible for formulating advertising strategies and advertisement placement plans, design advertising content and materials, produce or engage third party service providers to produce the advertising contents and materials, procure and coordinate the placement of advertisement on such traditional advertising channels as television and outdoor public advertising resources. A single performance obligation is generally identified in contracts for media advertising services due to the high degree of integration of the various tasks forming a combined output that is transferred to the customer over time or because the Group is unable to fulfil its promises by transferring each of the services independently.

The duration of each project of media advertising services typically ranges from within one month to twelve months. The customer typically would make payments by stages or after fulfilment of the service obligations in the agreement. Invoices issued are generally payable within 180 days. The Group has applied the practical expedient not to recognise any financing element as the contracts are typically completed within one year and because of the payment terms.

Revenue from media advertising services is recognised over time based on output method because the customer simultaneously received and consumes the benefits provided by the Group.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

(v) Revenue from SaaS interactive marketing services

SaaS interactive marketing services is offered in the form of subscription service to the Group's platform and customised marketing contents and materials. Under the subscription service, the Group will provide customers with access to the corresponding functions and marketing operation tools on the platform. The subscription service generally is for annual subscription with a one year duration. In respect of customised marketing contents and materials, they were provided to customers for their exclusive use according to their specific requirements for a period of time. There is generally one performance obligation under the contract.

The Group recognise revenue from subscription service over time on a straight-line basis over the subscription period for which the services is made available to the customers as the customer simultaneously receives and consumes the benefits by making the service available.

The Group recognises revenue from provision of customised marketing contents and materials at the time when the customer is able to use and benefit from the customised marketing contents and materials. No further activities will be undertaken that will significant affect the customised marketing contents and materials from that point of time.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due. Contract assets are subject to impairment assessment on the same basis as trade receivables, details of which are included in the accounting policies for impairment of financial assets.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

(v) Revenue from SaaS interactive marketing services (Continued)

Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

(j) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other revenue, rather than reducing the related expense.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Income taxes

Income taxes for the year comprise current tax and deferred tax. Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, taxable temporary differences arising on investments in subsidiaries and associates where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- intangible assets;
- interests in an associate; and
- prepayment under non-current assets

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

(m) Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expenses when incurred.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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

(a) Critical judgements in applying accounting policies

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the group entities, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the group entities are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(b) Key sources of estimation uncertainty

(i) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic view could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(ii) Impairment of trade receivables, deposits and other receivables and other financial assets

The measurement of impairment losses under HKFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, including the economic downturn, have made these estimates more judgemental, in which can result in different levels of allowances.

At the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

(iii) Income tax and deferred tax

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(iv) Useful lives of intangible assets

The Group's management determines the estimated useful lives and related amortisation charges for the Group's intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortisation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore amortisation expense in future periods.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(v) Impairment of property, plant and equipment, intangible assets and right-of-use assets

Property, plant and equipment, intangible assets and right-of-use assets are tested for impairment when indicators exist. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount being fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

6. 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 directors of the Company, being the chief operating decision makers ("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 2023 and 2022 were attributed to the PRC, and is 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 2023 and 2022, 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 2023 and 2022, no single customer of the Group amounted for 10% or more of the Group's total revenue.

7. REVENUE

An analysis of revenue is as follow:

	2023 RMB'000	2022 RMB'000
Integrated marketing services		
– Content marketing services	315,113	273,176
– Digital marketing services	772,758	102,007
– Public relations event planning services	20,382	17,536
– Media advertising services	50,125	58,131
	1,158,378	450,850
SaaS interactive marketing services	33,662	47,479
	1,192,040	498,329
Timing of revenue recognition		
At a point in time	16,794	39,218
Transferred over time	1,175,246	459,111
	1,192,040	498,329

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.

8. OTHER REVENUE

	2023 RMB'000	2022 RMB'000
Government grants *(Note i)*	**4,443**	5,014
Bank interest income	**418**	1,388
Interest income on debt instruments measured at FVTOCI	**997**	70
Additional value added tax ("VAT") input deduction *(Note ii)*	**4,636**	2,696
Others	**34**	86
	10,528	9,254

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 2022 and 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 2023 upon meeting all applicable criteria.

9. OTHER GAINS AND LOSSES

	2023 RMB'000	2022 RMB'000
Exchange gains/(losses), net	645	(7,047)
Gain on fair value changes on convertible bond – conversion option derivative *(Note 32)*	–	3,841
Loss on de-recognition of convertible bonds *(Note 32)*	–	(230)
Loss on disposal of property, plant and equipment	(3)	–
	642	(3,436)

10. FINANCE COSTS

	2023 RMB'000	2022 RMB'000
Interest expenses on bank borrowings	**1,871**	977
Interest expenses on loan from third parties	**496**	758
Interest expenses on loan from a shareholder	**–**	1,722
Imputed interest expenses on convertible bonds *(Note 32)*	**490**	6,689
Imputed interest expenses on lease liabilities *(Note 19)*	**124**	273
	2,981	10,419

11. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging:

	2023 RMB'000	2022 RMB'000
Auditors' remuneration	**1,531**	1,442
Amortisation of intangible assets included in *(Note 20)*:		
– Administrative expenses	**37**	32
– Cost of revenue	**12,708**	12,202
– Selling and marketing expenses	**75**	69
– Research costs	**2,747**	855
	15,567	13,158
Cost of revenue *(Note)*	**1,074,194**	318,699
Cost of inventories recognised as expenses	**9,215**	5,661
Depreciation charged:		
– Property, plant and equipment *(Note 18)*	**693**	661
– Right-of-use assets *(Note 19)*	**2,876**	2,879
Employee costs *(Note 12)*	**22,643**	25,266
Listing expenses	**–**	22,183
Provision of impairment loss recognised on trade receivables *(Note 22)*	**65,761**	24,334
(Reversal)/recognition of provision of impairment loss recognised on debt instruments measured at FVTOCI *(Note 21)*	**(154)**	510
	65,607	24,844
Research costs included in administrative expenses	**6,724**	11,379
Short-term leases expenses	**3,371**	1,967

11. PROFIT BEFORE INCOME TAX EXPENSE (Continued)

Note:

Cost of revenue includes RMB9,966,000 (2022: RMB7,066,000) of employee costs, RMB3,237,000 (2022: RMB1,881,000) of short-term leases expenses, RMB9,215,000 (2022: RMB5,661,000) 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.

12. EMPLOYEE COSTS

	2023 RMB'000	2022 RMB'000
Employee costs (including directors' emoluments *(Note 14)*) comprise:		
Wages and salaries	**20,522**	22,956
Contributions to retirement benefits scheme	**1,921**	1,990
Other employee benefits	**200**	320
	22,643	25,266

13. RETIREMENT BENEFITS SCHEME

Pursuant to the relevant regulations of the PRC government, the Group participants in a central pension scheme operated by the local municipal government (the "Scheme"), whereby the subsidiaries of the Company in PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(i) Directors' remuneration

Directors' emoluments disclosed pursuant to the Listing Rules and section 78(1) of Schedule 11 to the Hong Kong Companies Ordinance, Cap. 622 as follows:

		Year ended 31 December 2023			
	Notes	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Contributions to retirement benefits scheme RMB'000	Total emoluments RMB'000
Executive directors					
Mr. Liu		–	948	115	1,063
Ms. Qu Shuo		–	780	14	794
Ms. Huang Tingting	*(v)*	–	91	3	94
Mr. Chen Shancheng		–	748	12	760
Mr. Chen Zeming		–	267	13	280
		–	2,834	157	2,991
Independent non-executive directors					
Ms. Wang Yingbin	*(i)*	135	–	–	135
Ms. Wong Yan Ki, Angel	*(ii)*	162	–	–	162
Mr. Tian Tao	*(iii)*	135	–	–	135
Ms. Xiao Huilin	*(iv)*	119	–	–	119
		551	–	–	551
Non-executive director					
Ms. Liu Hong	*(vi)*	–	–	–	–
		–	–	–	–
		551	2,834	157	3,542

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(i) Directors' remuneration (Continued)

		Year ended 31 December 2022			
	Notes	Fees RMB'000	Salaries allowances and benefits in kind RMB'000	Contributions to retirement benefits scheme RMB'000	Total emoluments RMB'000
Executive directors					
Mr. Liu		–	845	116	961
Ms. Qu Shuo		–	690	14	704
Ms. Huang Tingting	*(v)*	–	468	12	480
Mr. Chen Shancheng		–	803	12	815
Mr. Chen Zeming		–	272	13	285
		–	3,078	167	3,245
Independent non-executive directors					
Ms. Wang Yingbin	*(i)*	28	–	–	28
Ms. Wong Yan Ki, Angel	*(ii)*	34	–	–	34
Mr. Tian Tao	*(iii)*	28	–	–	28
Ms. Xiao Huilin	*(iv)*	–	–	–	–
		90	–	–	90
Non-executive director					
Ms. Liu Hong	*(vi)*	–	–	–	–
		–	–	–	–
		90	3,078	167	3,335

Notes:

(i) Ms. Wang Yingbin was appointed as an independent non-executive director on 12 October 2022.

(ii) Ms. Wong Yan Ki, Angel was appointed as an independent non-executive director on 12 October 2022.

(iii) Mr. Tian Tao was appointed as an independent non-executive director on 12 October 2022.

(iv) Ms. Xiao Huilin was appointed as an independent non-executive director on 15 February 2023.

(v) Ms. Huang Tingting was resigned as an executive director on 29 March 2023.

(vi) Ms. Liu Hong was appointed as a non-executive director on 10 January 2024.

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(i) Directors' remuneration (Continued)

During the years ended 31 December 2023 and 2022, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

(ii) Five highest paid individuals

The five highest paid individuals of the Group included three directors (2022: four) whose emoluments are reflected in Note 14(i).

The analysis of the emolument of the remaining two highest paid individuals (2022: one individual) are set out below:

	2023 RMB'000	2022 RMB'000
Salaries and other benefits	1,144	520
Contributions to retirement benefits scheme	42	12
	1,186	532

The number of non-director highest paid individuals whose remuneration fell within the following band is as follows:

	2023	2022
Nil to HKD1,000,000	2	1

None (2022: none) of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

(iii) Senior management emolument band

The number of senior management whose remuneration fell within the following band is as follows:

	2023	2022
Nil to HKD1,000,000	4	3

15. INCOME TAX (CREDIT)/EXPENSE

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

	2023 RMB'000	2022 RMB'000
Current tax – PRC Enterprise Income Tax (the "PRC EIT")		
– for the year	**8,997**	27,950
– under-provision in prior years	**25**	36
Deferred tax *(Note 27)*		
– for the year	**(12,062)**	(4,955)
Income tax (credit)/expense	**(3,040)**	23,031

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 income tax.

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 Administration of Taxation.

According to "Notice of the Ministry of Finance and the State Administration of Taxation on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Huoerguosi" ("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 at 31 December 2027.

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"), another subsidiary of the Group located in Xinjiang was no longer subjected to the exemption from the EIT. According to "Notice of the Ministry of Finance and the State Administration of Taxation on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Huoerguosi", the subsidiary was entitled to a preferential tax rate of 15% since 1 January 2021.

15. INCOME TAX (CREDIT)/EXPENSE (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 expense can be reconciled to the profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

	2023 RMB'000	2022 RMB'000
Profit before income tax expense	30,015	90,731
Tax calculated at PRC statutory tax rate of 25%	7,503	22,683
Effect of different tax rates of subsidiaries operating in other jurisdictions	497	9,556
Expenses not deductible for tax purposes	813	204
Income not taxable for tax purpose	(274)	–
Tax incentives for research and development expenses available for subsidiaries incorporated in the PRC	–	(2,001)
Effect of tax concession granted to PRC subsidiaries	(11,465)	(8,176)
Effect of tax losses not recognised	28	729
Utilisation of unrecognised tax losses	(167)	–
Under-provision in prior years	25	36
Income tax (credit)/expense	(3,040)	23,031

The weighted average applicable tax rate was –10.13% (2022: 25.38%).

16. DIVIDENDS

There were no dividends paid or declared by the Company in respect of the years ended 31 December 2023 and 2022.

17. EARNINGS PER SHARE

(a) Basic

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

	2023	2022
Profit for the year attributable to owners of the Company for the purpose of computation of basic earnings per share (RMB'000)	**33,067**	67,724
Weighted average number of ordinary shares for the purpose of computation of basic earnings per share	**800,000,000**	663,077,747
Basic earnings per share (RMB)	**0.041**	0.102

For the purpose of computing basic earnings per share, ordinary shares issued in the Group Reorganisation were assumed to have been issued and allocated on 1 January 2022.

For the purpose of calculating the weighted average number of ordinary shares, the number of shares has taken the Capitalisation Issue into account as the Capitalisation Issue was deemed to be effective since 1 January 2022 and the shares issued during the Group Reorganisation are treated as if they had been in effect and issued on 1 January 2022.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2022 was based on the below:

(a) Weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2021 of 637,538,159 (including Capitalisation Issue of 595,244,490, 1 share issued at the date of incorporation of the Company and 42,293,668 ordinary shares issued on 16 November 2021);

(b) 2,461,841 ordinary shares issued on 24 January 2022;

(c) The shares of the Company were listed on the HKEx on 9 November 2022, whereby 160,000,000 new shares were issued by the Company.

17. 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 profit for the year attributable to equity holders of the Company (numerator) has been adjusted by the effect of the issuance of convertible bonds.

	2023	2022
Profit for the year attributable to owners of the Company for the purpose of computation of basic earnings per share (RMB'000)	33,067	67,724
Dilution effect arising from convertible bonds issued by the Group (RMB'000) *(Note)*	(645)	–
Profit for the year attributable to owners of the Company for the purpose of computation of diluted earnings per share (RMB'000)	32,422	67,724
Weighted average number of ordinary shares for the purpose of computation of basic earnings per share	800,000,000	663,077,747
Adjustments for convertible bonds issued by the Group *(Note)*	95,281	–
Weighted average number of ordinary shares for the purpose of computation of diluted earnings per share	800,095,281	663,077,747
Diluted earnings per share (RMB)	0.040	0.102

Note:

There were no adjustments for the effects of potential ordinary shares arising from outstanding convertible bond for the year ended 31 December 2022 as the assumed conversion of convertible bonds had an anti-dilutive effect on the earnings per share for that year, hence the calculation of diluted earnings per share did not assume the conversion of convertible bonds.

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost				
At 1 January 2022	5,762	2,161	1,913	9,836
Additions	–	233	–	233
At 31 December 2022 and 1 January 2023	5,762	2,394	1,913	10,069
Additions	–	231	–	231
Disposal	–	(13)	–	(13)
At 31 December 2023	**5,762**	**2,612**	**1,913**	**10,287**
Accumulated depreciation				
At 1 January 2022	5,115	1,737	1,025	7,877
Charged during the year	242	188	231	661
At 31 December 2022 and 1 January 2023	5,357	1,925	1,256	8,538
Charged during the year	242	220	231	693
Disposal	–	(1)	–	(1)
At 31 December 2023	**5,599**	**2,144**	**1,487**	**9,230**
Net book value				
At 31 December 2023	**163**	**468**	**426**	**1,057**
At 31 December 2022	405	469	657	1,531

19. LEASES

The Group as a lessee

The Group has lease contracts for property and buildings used in its operations. Leases of the property and buildings generally have lease terms of 1.25 to 8.0 years. The lease comprises only fixed lease payments over the lease term and do not contain extension and termination options.

(a) Right-of-use assets

	Total RMB'000
At 1 January 2022	7,277
Commencement of lease	13
Depreciation for the year	(2,879)
At 31 December 2022 and 1 January 2023	4,411
Depreciation for the year	(2,876)
At 31 December 2023	**1,535**

(b) Lease liabilities

	2023 RMB'000	2022 RMB'000
Carrying amount at beginning of year	**4,018**	6,925
Commencement of lease	**–**	13
Lease payments	**(3,283)**	(3,193)
Interest expense	**124**	273
Carrying amount at end of year	**859**	4,018

19. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities (Continued)

Future lease payments are due as follows:

	Future lease payments RMB'000	Interest RMB'000	Present value RMB'000
At 31 December 2023			
Not later than one year	**486**	**27**	**459**
Later than one year and not later than two years	**102**	**19**	**83**
Later than two years and not later than five years	**346**	**29**	**317**
	934	**75**	**859**
At 31 December 2022			
Not later than one year	3,283	124	3,159
Later than one year and not later than two years	486	27	459
Later than two years and not later than five years	326	44	282
Later than five years	122	4	118
	4,217	199	4,018

The present value of future lease payments are analysed as:

	2023 RMB'000	2022 RMB'000
Current liabilities	**459**	3,159
Non-current liabilities	**400**	859
	859	4,018

20. INTANGIBLE ASSETS

	Computer software RMB'000	Licences RMB'000	Total RMB'000
Cost			
At 1 January 2022	71,221	23,321	94,542
Additions			
– Externally acquired	31,682	–	31,682
At 31 December 2022 and 1 January 2023	102,903	23,321	126,224
Additions			
– Externally acquired	19,556	–	19,556
At 31 December 2023	**122,459**	**23,321**	**145,780**
Accumulated amortisation			
At 1 January 2022	4,211	2,721	6,932
Charged during the year	8,494	4,664	13,158
At 31 December 2022 and 1 January 2023	12,705	7,385	20,090
Charged during the year	10,903	4,664	15,567
At 31 December 2023	**23,608**	**12,049**	**35,657**
Net book value			
At 31 December 2023	**98,851**	**11,272**	**110,123**
At 31 December 2022	90,198	15,936	106,134

The Group's computer software with carrying amount of RMB98,851,000 (2022: RMB90,198,000) will be fully amortised in 10.00 years (2022: 9.92 years).

The Group's licences with carrying amount of RMB11,272,000 (2022: RMB15,936,000) will be fully amortised in 2.42 years (2022: 3.42 years).

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 RMB'000	2022 RMB'000
Non-current		
Equity instruments in unlisted companies measured at FVTOCI	**10**	–
Current		
Debt instruments measured at FVTOCI	**18,711**	17,390
	18,721	17,390

As at 31 December 2023, the non-current balances represented the unlisted equity investments held by the Group in an unlisted company established in the PRC, which the Group held 5.0% of equity interest.

The unlisted equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

As at 31 December 2022 and 2023, the current balance represented capital protected fund investment with initial carrying amount of RMB17,900,000 that bore interest at fixed rate of 5.50% (2022: 5.50%) per annum, with a one-year lockup period since acquisition.

The debt instrument was classified as financial assets measured at FVTOCI as it is held within a business model whose objective is achieved by collecting contractual cash flows and selling the debt instruments and its contractual cash flows are solely payments of principal and interests.

Further details on the Group's fair value measurement are set out in Note 38(f).

22. TRADE RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	**424,977**	201,298
Less: Provision for impairment loss recognised	**(111,482)**	(45,721)
	313,495	155,577

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

22. TRADE RECEIVABLES (Continued)

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:

	2023 RMB'000	2022 RMB'000
1 to 6 months	240,387	123,725
More than 6 months but less than 12 months	76,605	27,702
More than 1 year but less than 2 years	65,414	37,024
More than 2 years	42,571	12,847
	424,977	201,298

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

	2023 RMB'000	2022 RMB'000
At the beginning of the year	45,721	21,387
Provision for impairment loss on trade receivables *(Note 11)*	65,761	24,334
At the end of year	111,482	45,721

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 38 (a).

23. INTERESTS IN AN ASSOCIATE

	2023 RMB'000	2022 RMB'000
Investment cost in an associate	47,000	–

Details of the Group's interest in an associate, which are unlisted company, are as follows:

Name of associate	Place and date of incorporation/ establishment and form of business structure	Proportion of ownership interest 2023	2022	Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business
Xiamen Yike Investment Co., Ltd.*	PRC, 20 December 2023, limited liability company	31.33%	–	Registered capital RMB150,000,000	Investment holding, PRC

* English name is translated directly from its corresponding official Chinese name.

The above associate is accounted for using the equity method in the consolidated financial statements.

Set out below are the summarised financial information of an associate as at 31 December 2023, which are accounted for using the equity method.

	2023 RMB'000
Current assets	150,000
Net assets	150,000
Group' share in (%)	31.33%
Group's share in (amount)	47,000
Carrying amount	47,000

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	**2023** **RMB'000**	2022 RMB'000
Current			
Prepayments		**194,713**	70,149
Deposits		**904**	512
Value added tax recoverable		**25,124**	7,222
Interest receivables		**–**	753
Other receivables	*a*	**164**	158
		220,905	78,794
Non-current			
Deposits		**–**	250
Other prepayment		**664**	–
Prepayment for property, plant and equipment		**13,400**	13,400
		14,064	13,650
		234,969	92,444

Note:

Deposits and other receivables were primarily denominated in RMB and their carrying amounts approximated to their fair values due to their short maturity at the reporting date. For the years ended 31 December 2023 and 2022, there was no provision for impairment on deposits and other receivables.

(a) Other receivables as at 31 December 2023 and 2022 relates to counterparties for whom there were no recent history of default and do not have any past due amounts, and the loss allowance was assessed by management to be minimal. These balances are non-interest bearing and are expected to be realised upon their respective maturity dates.

25. CONTRACT COSTS

	2023 **RMB'000**	2022 RMB'000
Contract costs	**100**	41

Contract costs capitalised as at 31 December 2023 and 2022 related to costs to fulfil contracts, resulted from customers entering into service agreements with the Group. Contract costs are recognised as part of "cost of revenue" in the profit or loss in the period in which revenue from the related services is recognised. The balance of capitalised contract costs is expected to be realised within one year.

26. CASH AND CASH EQUIVALENTS

	2023 **RMB'000**	2022 RMB'000
Cash and bank balances	**26,131**	329,188

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

27. DEFERRED TAX ASSETS

	Allowance for expected credit loss RMB'000	**Total** RMB'000
At 1 January 2022	4,881	4,881
Credited to profit or loss for the year *(Note 15)*	4,955	4,955
At 31 December 2022 and 1 January 2023	9,836	9,836
Credited to profit or loss for the year *(Note 15)*	12,062	12,062
At 31 December 2023	**21,898**	**21,898**

27. DEFERRED TAX ASSETS (Continued)

(a) The unused tax losses carried forward not recognised in the consolidated financial statements due to unpredictability of future profit streams are as follows:

	2023 RMB'000	2022 RMB'000
Unused tax losses	2,647	3,208

Tax losses in the PRC can only be carried forward for a maximum period of five years. The expiry of unused tax losses for which no deferred tax assets have been recognised is as follows:

	2023 RMB'000	2022 RMB'000
Tax losses will expire in 2023	–	1
Tax losses will expire in 2024	4	4
Tax losses will expire in 2025	5	5
Tax losses will expire in 2026	100	308
Tax losses will expire in 2027	2,425	2,890
Tax losses will expire in 2028	113	–
	2,647	3,208

(b) Under the EIT Law and Implementation Regulations, PRC withholding income tax is applicable to interest and dividends payable to investors that are "non-tax resident enterprises", which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such interest or dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to off-shore group entities shall be subject to the withholding tax at 10% or a lower treaty rate. For the Group, the applicable tax rate is 10%. Deferred taxation has not been provided for in the consolidated financial statements in respect of taxable temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB196,183,000 (2022: RMB128,597,000).

The Board of Directors of the Company affirms that the undistributed earnings of the PRC subsidiaries as of 31 December 2023 and 2022 will be reserved for the expansion of operations. Consequently, the Group has not provided for the deferred tax liabilities in respect of withholding tax on the remaining undistributed earnings of the Group's PRC entities as the Group is capable of controlling the timing of reversal of such temporary difference, and it is highly likely that such temporary difference would not be reversed in the foreseeable future.

28. TRADE PAYABLES

	2023 RMB'000	2022 RMB'000
Trade payables *(Note (a))*	**18,483**	22,585

Note:

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

	2023 RMB'000	2022 RMB'000
Within six months	**10,119**	16,423
More than 6 months but less than 12 months	**3,324**	400
More than 1 year but less than 2 years	**4,310**	5,100
More than 2 years	**730**	662
	18,483	22,585

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

29. OTHER PAYABLES AND ACCRUALS

	2023 RMB'000	2022 RMB'000
Accrued salaries	**3,089**	2,863
Accrued expenses	**3,332**	2,156
Accrued listing expenses	**319**	1,553
Other tax payables	**42,063**	13,022
	48,803	19,594

Other payables and accruals are non-interest bearing and are expected to be realised within twelve months from the end of the reporting period.

30. BORROWINGS

	Notes	2023 RMB'000	2022 RMB'000
Current			
Bank loans, secured	*a*	**50,105**	17,031
Bank loan, unsecured	*b*	**–**	15,021
Other borrowing, secured	*c*	**6,450**	–
		56,555	32,052
Effective interest rate per annum		**4.3% to 14%**	4.5% to 6.2%

Notes:

(a) The bank loans are secured by corporate guarantee given by subsidiaries of the Company as well as secured by personal guarantee given by the Company's directors, Mr. Liu and Ms. Qu (Note 37) and are denominated in RMB.

(b) The bank loan is unsecured and denominated in RMB.

(c) The other borrowing is secured by corporate guarantee given by certain subsidiaries of the Company as well as secured by personal guarantee given by the Company's directors, Mr. Liu and Ms. Qu (Note 37) and are denominated in RMB.

At the end of the reporting period, total current borrowings were scheduled to be repaid as follows:

	2023 RMB'000	2022 RMB'000
On demand or within one year	**56,555**	32,052

31. CONTRACT LIABILITIES

The contract liabilities mainly relate to the advance consideration received from customers. The following table shows the amounts of revenue recognised during the year that were included in the contract liabilities at the beginning of the reporting period:

	2023 **RMB'000**	2022 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year	**28,179**	15,465

Movement in contract liabilities:

	2023 **RMB'000**	2022 RMB'000
At the beginning of the year	**28,179**	15,493
Revenue recognised that was included in contract liabilities at the beginning of the year	**(28,179)**	(15,465)
Increase due to cash received, including amounts recognised as revenue during the year	**1,946,469**	129,636
Revenue recognised that was not included in contract liabilities at the beginning of the year	**(1,910,017)**	(101,485)
At the end of the year	**36,452**	28,179

32. CONVERTIBLE BONDS

During the year ended 31 December 2022, the Company issued convertible bond 1 ("CB 1"), convertible bond 2 ("CB 2"), convertible bond 3 ("CB 3") and convertible bond 4 ("CB 4").

CB 1

On 26 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US$5,000,000 (equivalent to approximately RMB31,750,000 at issue date). Each bond entitles the holder to convert them into the Company's ordinary share at a conversion price of USD4.4569 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 25 January 2023.

CB 1 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.29% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 1 issuance date and on 31 December 2022, and Black-Scholes option pricing model and Binomial Tree option pricing model is used in the valuations respectively.

The CB 1 was fully repaid on 30 January 2023.

32. CONVERTIBLE BONDS (Continued)

CB 2

On 26 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US$1,000,000 (equivalent to approximately RMB6,350,000 at issue date). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of USD4.4569 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 25 January 2023.

CB 2 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.29% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 2 issuance date and on 15 November 2022, and Black-Scholes option pricing model is used in the valuation.

The CB 2 was early redeemed on 15 November 2022.

CB 3

On 24 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US$600,000 (equivalent to approximately RMB3,810,000 at issue date). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of USD4.4682 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 23 January 2023.

CB 3 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 17.81% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 3 issuance date and on 16 November 2022, and Black-Scholes option pricing model is used in the valuation.

The CB 3 was early redeemed on 16 November 2022.

CB 4

On 27 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of HK$3,000,000 (equivalent to approximately RMB2,442,000 at issue date). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of HK$34.9293 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 26 January 2023.

CB 4 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.12% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 4 issuance date and on 24 November 2022, and Black-Scholes option pricing model is used in the valuation.

The CB 4 was early redeemed on 24 November 2022.

32. CONVERTIBLE BONDS (Continued)

CB 1, CB 2, CB 3 and CB 4 ("All CBs")

Following the release of results of the Hong Kong Listing committee hearing regarding the Company's listing (the "Listing") application ("Pre-listing Conversion Event"), the holders of All CBs have the right to convert the whole of the outstanding principal amount of the CBs into shares of the Company at the corresponding conversion prices within three business days upon occurrence of such Pre-listing Conversion Event.

In the event that the Pre-listing Conversion Event does not take place and Listing becoming unconditional ("Post-Listing Conversion Event"), together with the Pre-Listing Conversion Event, the ("Conversion Event"), the holders of All CBs can convert the whole of the principal amount of the CBs into shares of the Company at the corresponding conversion prices.

The Conversion Event shall only trigger the conversion if and only if it occurs on or before the maturity date of the CBs and conversion shall take place in full at one time and no partial conversion shall be taken place.

Unless previously redeemed, converted, purchased or cancelled, each CB will be redeemed on maturity date at its principal amount with accrued and unpaid interest thereon on the maturity date.

The liability component and conversion option derivative recognised in the consolidated statement of financial position were as follows:

	Liability component RMB'000	Conversion option derivative RMB'000	Total RMB'000
As at 1 January 2022	–	–	–
Convertible bonds issued	40,511	3,841	44,352
Imputed interests *(Note 10)*	6,689	–	6,689
Gain on fair value changes on convertible bond – conversion option derivative *(Note 9)*	–	(3,841)	(3,841)
De-recognition of convertible bonds on early redemption	(13,996)	–	(13,996)
Loss on de-recognition of convertible bonds *(Note 9)*	230	–	230
Interest paid	(898)	–	(898)
Exchange difference	4,651	–	4,651
As at 31 December 2022 and 1 January 2023	**37,187**	**–**	**37,187**
Imputed interests *(Note 10)*	**490**	**–**	**490**
Repayment of convertible bonds	**(33,813)**	**–**	**(33,813)**
Interest paid	**(2,729)**	**–**	**(2,729)**
Exchange difference	**(1,135)**	**–**	**(1,135)**
As at 31 December 2023	**–**	**–**	**–**

Further details on the Group's fair value measurement are set out in Note 38(f).

33. SHARE CAPITAL

	Number	Amount HKD'000	Amount RMB'000
Ordinary shares of par value of HKD0.0001 each			
Authorised			
At 1 January 2022	3,900,000,000	390	337
Increase in authorised share capital *(Note (iii))*	6,100,000,000	610	550
As at 31 December 2022, 1 January 2023 and 31 December 2023	**10,000,000,000**	**1,000**	**887**
Issued and fully paid			
As at 1 January 2022	42,293,669	4	3
Issue of shares *(Note (i))*	2,461,841	–*	1
Issuance of shares upon listing *(Note (ii))*	160,000,000	16	14
Issuance shares for Capitalisation Issue *(Note (ii))*	595,244,490	60	54
As at 31 December 2022, 1 January 2023 and 31 December 2023	**800,000,000**	**80**	**72**

* Represents amount less than HKD1,000.

Notes:

(i) Pursuant to the resolution of the shareholders, the Company allotted and issued 2,461,841 ordinary shares of HKD0.0001 each at USD4.47 (equivalent to approximately RMB28.37) on 24 January 2022.

(ii) In connection with the Company's issuance of new shares upon Listing, the Company allotted and issued 160,000,000 shares of HK$0.0001 each at a price of HKD1.96 per share on 9 November 2022 as a result of the completion of Listing. The gross proceeds from issuance of new shares of approximately RMB282,632,000 (equivalent to approximately HK$313,600,000) of which approximately RMB14,000 (equivalent to approximately HK$16,000) was credited to the Company's share capital, and the remaining balance of approximately RMB282,618,000 (equivalent to approximately HK$313,584,000) before deduction of share issuance expenses, was credited to share premium account. The share premium account can be used for deduction of share issuance expenses. After the share premium account of the Company being credited as a result of the issuance of new shares upon listing, RMB54,000 (equivalent to approximately HK$60,000) was capitalised from the share premium account and applied in paying up in full at par 595,244,490 new shares for allotment and issue to shareholders whose names appear on the register of members of the Company at the close of business on 9 November 2022 in proportion to their respective shareholdings ("Capitalisation Issue").

(iii) On 12 October 2022, the authorised share capital of the Company was increased from HK$390,000 divided into 3,900,000,000 shares to HK$1,000,000 divided into 10,000,000,000 shares by the creation of additional 6,100,000,000 shares which rank pari passu in all respects.

34. RESERVES

(a) The Group

Details of the movements in the reserves of the Group during the reporting period are set out in the consolidated statement of changes in equity.

(b) The Company

	Share premium RMB'000	Accumulated losses RMB'000	FVTOCI reserve (recycling) RMB'000	Total RMB'000
As at 1 January 2022	–	–	–	–
Issue of shares	69,720	–	–	69,720
Deemed capital contribution	1,029	–	–	1,029
Issuance of new shares upon listing *(Note 33(ii))*	282,618	–	–	282,618
Capitalisation Issue *(Note 33(ii))*	(54)	–	–	(54)
Expenses attributed to issue of new shares upon listing	(29,731)	–	–	(29,731)
Loss for the year	–	(33,886)	–	(33,886)
As at 31 December 2022	323,582	(33,886)	–	289,696
Loss for the year	–	(2,023)	–	(2,023)
Other comprehensive income				
– Expected credit loss on debt instruments measured at fair value through other comprehensive income	–	–	356	356
– Fair value changes on debt instruments measured at fair value through other comprehensive income	–	–	(255)	(255)
As at 31 December 2023	**323,582**	**(35,909)**	**101**	**287,774**

34. RESERVES (Continued)

(c) The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Share premium	Share premium represents consideration received in excess of nominal value of the Company's share and deemed capital contribution from shareholders.
Statutory reserve	In accordance with the relevant PRC laws and regulations and articles of association, the PRC subsidiaries are required to transfer 10% of their net profit as determined in accordance with accounting rules and regulations to the statutory reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distributions to equity shareholders. This reserve can be utilised in setting off accumulated losses or increase capital and is non-distributable other than in event of liquidation.
Merger reserve	It represents the difference between the nominal value of shares issued by the Company and the aggregate fully paid registered capital of PRC subsidiaries acquired pursuant to the Group Reorganisation and additional capital contribution from controlling shareholders.
FVTOCI reserve (recycling)	Balance represents fair value reserve comprising the cumulative net change in the fair value of debt investment measured at FVTOCI under HKFRS 9 that are held at the end of the reporting period.
Retained earnings/(accumulated losses)	Balance represents cumulative net profit and loss recognised in profit and loss.

35. HOLDING COMPANY'S STATEMENT OF FINANCIAL POSITION

	Notes	**2023 RMB'000**	2022 RMB'000
Non-current assets			
Interests in subsidiaries		**–***	–*
Amount due from subsidiaries		**256,723**	298,266
Prepayment for property, plant and equipment		**13,400**	13,400
Total non-current assets		**270,123**	311,666
Current assets			
Financial asset at fair value through other comprehensive income		**18,711**	17,390
Other receivables		**129**	70
Cash and cash equivalents		**160**	404
Total current assets		**19,000**	17,864
Total assets		**289,123**	329,530
Current liabilities			
Convertible bonds – liability component		**–**	37,187
Other payables and accruals		**1,277**	2,575
Total current liabilities		**1,277**	39,762
Net current assets/(liabilities)		**17,723**	(21,898)
Total assets less current liabilities		**274,446**	289,768
NET ASSETS		**287,846**	289,768
Equity attributable to owners of the Company			
Share capital	*33*	**72**	72
Reserves	*34*	**287,774**	289,696
Total equity		**287,846**	289,768

* Represents amount less than RMB1,000.

Mr. Liu Jianhui
Executive director

Mr. Chen Shancheng
Executive director

36. DETAILS OF THE PRINCIPAL SUBSIDIARIES

Name of subsidiary	Place and date of incorporation/ establishment and form of business structure	Percentage of equity attributable to the Company 2023 Directly	2023 Indirectly	2022 Directly	2022 Indirectly	Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business
Many Idea Interactive Limited ("Many Idea BVI")	British Virgin Islands ("BVI"), 9 July 2021, limited liability company	-	100%	–	100%	Issued and fully paid capital USD1	Investment holding, BVI
Many Idea Interactive Technology (Hong Kong) Limited ("Many Idea HK") (多想互動科技(香港)有限公司)	Hong Kong ("HK"), 26 July 2021, limited liability company	-	100%	–	100%	Issued and fully paid capital HKD1	Provision of content marketing services, digital marketing services, public relations event planning services and media advertising services, HK
Xiamen Many Idea Interactive Cloud Technology Co., Ltd.* ("Xiamen Many Idea Cloud") (廈門多想互動雲科技有限公司)	PRC, 26 November 2021, limited liability company	-	100%	–	100%	Registered capital RMB200,000,000	Investment holding, PRC
Xiamen Instant Interactive Co., Ltd.* ("Xiamen Instant Interactive") (廈門即刻互動文化傳播有限公司)	PRC, 11 May 2021, limited liability company	-	100%	–	100%	Registered capital RMB300,000,000	Provision of content marketing services, digital marketing services, public relations event planning services and media advertising services, PRC
Beijing Many Idea Cloud Technology Co., Ltd.* ("Beijing Many Idea Cloud") (北京多想雲科技有限公司)	PRC, 24 November 2021, limited liability company	-	99%	–	99%	Registered capital RMB1,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Shanghai Senyu Advertising Co., Ltd.* ("Shanghai Senyu") (上海森昱廣告有限公司)	PRC, 12 December 2012, limited liability company	-	100%	–	100%	Registered capital RMB30,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Jiangxi Meita Culture Communication Co., Ltd.* ("Jiangxi Meita") (江西鎂塔文化傳播有限公司)	PRC, 6 June 2016, limited liability company	-	100%	–	100%	Registered and fully paid capital RMB15,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC

36. DETAILS OF THE PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment and form of business structure	Percentage of equity attributable to the Company 2023 Directly	2023 Indirectly	2022 Directly	2022 Indirectly	Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business
Xiamen Second Future Technology Co., Ltd.* ("Xiamen Second Future") (廈門第二未來科技有限公司)	PRC, 14 July 2016, limited liability company	-	100%	-	100%	Registered capital RMB50,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services, PRC
Xinjiang Kashi Lianjie Culture Communication Co., Ltd.* ("Xinjiang Kashi") (新疆喀什聯界文化傳播有限公司)	PRC, 5 April 2016, limited liability company	-	100%	-	100%	Registered and fully paid up capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Quanzhou Many Idea Interactive Culture Communication Co., Ltd.* ("Quanzhou Many Idea") (泉州多想互動文化傳播有限公司)	PRC, 2 July 2018, limited liability company	-	100%	-	100%	Registered and fully paid up capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Hainan Many Idea Future Culture Communication Co., Ltd.* ("Hainan Many Idea") (海南多想未來文化傳播有限公司)	PRC, 19 March 2021, limited liability company	-	100%	-	100%	Registered capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Xinjiang Many Idea Cloud Culture Communication Co., Ltd.* ("Xinjiang Many Idea Cloud") (新疆多想雲文化傳播有限公司)	PRC, 9 May 2022, limited liability company	-	100%	-	100%	Registered capital RMB5,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Xiamen Kaho Technology Company Limited* ("Xiamen Kaho") (廈門看好網絡科技有限公司)	PRC, 27 March 2023, limited liability company	-	100%	-	-	Registered capital RMB10,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC
Kanhao Zhizao (Xiamen) Technology Co., Ltd.* ("Kanhao Zhizao") (看好智造(廈門)網絡科技有限公司)	PRC, 26 December 2023, limited liability company	-	100%	-	-	Registered capital RMB30,000,000	Provision of content marketing services, digital marketing services, public relations event planning services, media advertising services, PRC

* English names of the subsidiaries are translated directly from their corresponding official Chinese names.

37. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

The key management personnel of the Group represent directors and other senior management of the Group. Details of the remuneration paid to them during the years ended 31 December 2023 and 2022 are set out in Note 14 to the consolidated financial statements.

(b) Guarantees provided by related parties

During the year ended 31 December 2023, directors of the Group provided personal guarantees to certain banks for general banking facilities granted to the Group (Note 30).

38. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets are trade receivables, deposits and other receivables, debt instruments measured at FVTOCI and cash and cash equivalents that derive directly from its operations. Principal financial liabilities of the Group include trade payables, other payables and accruals, borrowings, lease liabilities and convertible bonds. The main purpose of these financial liabilities is to finance the Group's operations.

The Group has not issued and does not hold any financial instruments for trading purposes at the end of the reporting period. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. Generally, the Group utilises conservative strategies on its risk management.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables), debt instruments measured at FVTOCI and deposits with banks.

The Group's customers are mainly reputable corporations and thus credit risk is considered to be low. Credit risk on other receivables and debt instruments measured at FVTOCI are minimal as the Group performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the ageing of the receivable balances. Follow up action is taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually and collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group during the reporting period and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

The Group applies the simplified approach to provide for expected credit losses on trade receivables as prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables from transactions that is within the scope of HKFRS 15. Management has assessed the risk of default by counterparties and Note 22 details the loss allowance provision that was recognised during the reporting period.

38. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics and the days past due. The provision is determined as follows:

	Not yet past due	Less than 6 months past due	Over 6 months but less than 12 months past due	Over 12 months but less than 18 months past due	Over 18 months but not more than 24 months past due	Over 24 months past due	Total
As at 31 December 2023							
Expected loss rate	**6.07%**	**17.57%**	**48.02%**	**100.00%**	**100.00%**	**100.00%**	**26.23%**
Gross carrying amount (RMB'000)	**240,387**	**76,605**	**47,243**	**18,171**	**25,603**	**16,968**	**424,977**
Loss allowance provision (RMB'000)	**14,591**	**13,463**	**22,686**	**18,171**	**25,603**	**16,968**	**111,482**
As at 31 December 2022							
Expected loss rate	4.97%	15.22%	48.71%	100.00%	100.00%	100.00%	22.71%
Gross carrying amount (RMB'000)	123,725	27,702	28,303	8,720	7,562	5,286	201,298
Loss allowance provision (RMB'000)	6,153	4,215	13,785	8,720	7,562	5,286	45,721

As at 31 December 2023 and 2022, the fair value of trade receivables approximated their carrying amounts. The maximum exposure to credit risk at the reporting date was the carrying value of each class of receivable mentioned above. The Group does not hold any collateral or other credit enhancement over these balances.

The Group had a concentration of credit risk as certain of the Group's trade receivables were due from the Group's five largest customers as detailed below.

	2023 RMB'000	2022 RMB'000
Five largest customers	**218,794**	63,268

The Group's major bank balances are deposited with banks with good reputation and with high credit-ratings assigned by international credit-rating agencies and hence management does not expect any losses from non-performance by these banks.

38. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

In the management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet its liquidity requirements in the short and long term. The liquidity policies have been followed by the Group during the reporting period and are considered to have been effective in managing liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest rates are floating, the undiscounted amount is derived from interest rates at the end of the reporting period.

	Interest rate	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
As at 31 December 2023							
Trade payables	N/A	18,483	18,483	18,483	–	–	–
Other payables and accruals	N/A	6,740	6,740	6,740	–	–	–
Borrowings	4.30%–14.00%	56,555	58,112	58,112	–	–	–
Lease liabilities	4.60%–5.29%	859	934	486	102	346	–
		82,637	84,269	83,821	102	346	–
As at 31 December 2022							
Trade payables	N/A	22,585	22,585	22,585	–	–	–
Other payables and accruals	N/A	6,572	6,572	6,572	–	–	–
Borrowings	4.50%–6.20%	32,052	32,705	32,705	–	–	–
Convertible bonds – liability component	18.29%	37,187	37,374	37,374	–	–	–
Lease liabilities	4.10%–5.36%	4,018	4,217	3,283	486	326	122
		102,414	103,453	102,519	486	326	122

38. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

Interest rate risk means the risk on fluctuation of fair value or future cash flows of financial instruments which arise from changes in interest rates. Floating interest rate instruments will result in the Group facing cash flow interest rate risk, and fixed interest rate instruments will result in the Group facing fair value interest rate risk.

Other than cash at bank in Note 26 and debt instrument measured at FVTOCI in Note 21, the Group does not have significant interest-bearing assets. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group.

The Group's fair value interest-rate risk mainly arises from borrowings as disclosed in Note 30, convertible bond as disclosed in Note 32 and debt instruments measured at FVTOCI in Note 21. These instruments were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group has no cash flow interest-rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The interest rates and terms of repayment of the Group's borrowings, convertible bonds and debt instruments measured at FVTOCI are disclosed in Note 30, Note 32 and Note 21.

(d) Foreign currency risk

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the United States dollars ("USD") and Hong Kong Dollars ("HKD") as the Group's bank balances and convertible bonds are denominated in these currencies. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

As at 31 December 2023, if the USD and HKD had weakened/strengthened by 0.5% against the RMB with all other variables held constant, profit for the year and equity would have been RMB3,000 higher/lower (2022: RMB480,000) and RMB3,000 lower/higher (2022: RMB480,000) respectively, mainly as a result of net foreign exchange losses/gains on translation of USD and HKD denominated bank balances and convertible bonds. The Group's management manages this risk by closely monitoring the exchange rate movement and changes in market conditions that may have a significant impact on the operations and financial performance.

38. FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes in the objectives, policies or processes were made during the reporting period.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. Total debt is calculated as borrowings, lease liabilities and convertible bonds. Capital includes equity attributable to owners of the Company.

	2023 RMB'000	2022 RMB'000
Total debt	57,414	73,257
Equity attributable to the owners of the Company	576,515	543,347
Total debt and equity	633,939	616,604
Gearing ratio	9%	12%

38. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value

Financial instruments not measured at fair value

Financial instruments not measured at fair value mainly include trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals, borrowings and liability portion of convertible bonds. Due to their short term nature, their carrying value approximates fair value.

Financial instruments measured at fair value

Financial instruments measured at fair value include financial asset at FVTOCI and conversion option derivative of convertible bonds measured at FVTPL. The Group's financial instruments carried at fair value as at 2023 and 2022 are categorised by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

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

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

38. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2023.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
31 December 2023			
Assets			
Financial assets at FVTOCI	–	–	18,721
31 December 2022			
Assets			
Financial assets at FVTOCI	–	–	17,390
Liabilities			
Conversion option derivative at FVTPL	–	–	–

The financial asset at FVTOCI represent unlisted equity investments and debt instrument (Note 21). The fair value as at 31 December 2023 is determined with reference to a valuation report issued by an independent valuation expert using income approach.

The determination of fair value of debt instrument is based on certain parameters including bond yield, which are unobservable. The significant unobservable input is shown as below:

	2023	2022
Financial asset at FVTOCI		
Bond yield	0.14%	0.27%

Increased in bond yield by 1% would decrease the fair value of financial assets at FVTOCI by RMB89,000 (2022: RMB88,000), whilst decrease in bond yield by 1% would increase the fair value of the financial assets at FVTOCI by RMB89,000 (2022: RMB88,000).

38. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value (Continued)

The financial liabilities at FVTPL represent conversion option derivative portion of the convertible bonds (Note 32). The fair value is determined with reference to a valuation report issued by an independent valuation expert using Binomial Tree option pricing model.

The determination of the fair value of conversion option derivative portion of the convertible bonds is based on certain parameters including stock price and its volatility, exercise price, option life and risk-free interest rate, which are unobservable. The significant unobservable input is shown as below:

	2023	2022
Financial liabilities at FVTPL		
Volatility in stock price	N/A	98.0%

Increased in volatility by 1% would increase the fair value of financial liabilities at FVTPL by nil (2022: nil), whilst decrease in volatility by 1% would decrease the fair value of the financial liabilities at FVTPL by nil (2022: nil).

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

	2023 RMB'000	2022 RMB'000
Assets		
At the beginning of the year	17,390	–
Additions	10	17,390
Interest income	1,066	–
Fair value change recognised in other comprehensive income	255	–
At the end of the year	18,721	17,390
Liabilities		
At the beginning of the year	–	–
Convertible bonds issued	–	3,841
Gain on fair value changes on convertible bond – conversion option derivative	–	(3,841)
At the end of the year	–	–

39. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

	2023 RMB'000	2022 RMB'000
Financial assets		
Financial assets at FVTOCI – non-current		
Equity instruments	10	–
Financial assets at amortised cost – non-current		
Deposits	–	250
	10	250
Financial assets at FVTOCI – current		
Debt instruments	18,711	–
Financial assets at amortised cost – current		
Trade receivables	313,495	155,577
Deposits and other receivables	1,068	1,423
Cash and cash equivalents	26,131	329,188
	359,405	503,578
	359,415	503,828
Financial liabilities		
Financial liabilities at FVTPL – current		
Convertible bonds – conversion option derivative	–	–
Financial liabilities at amortised cost – current		
Trade payables	18,483	22,585
Other payables and accruals	6,740	6,572
Borrowings	56,555	32,052
Convertible bonds – liability component	–	37,187
Lease liabilities	459	3,159
	82,237	101,555
Financial liabilities at amortised cost – non-current		
Lease liabilities	400	859
	400	859
	81,637	102,414

40. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

	Borrowings *(Note 30)* RMB'000	Lease liabilities *(Note 19)* RMB'000	Convertible bonds *(Note 32)* RMB'000	Total RMB'000
As at 1 January 2023	32,052	4,018	37,187	73,257
Changes from cash flow:				
Proceeds from bank borrowings	70,000	–	–	70,000
Repayment of bank borrowings	(52,000)	–	–	(52,000)
Proceeds from other borrowings	16,450	–	–	16,450
Repayment of other borrowings	(10,000)	–	–	(10,000)
Repayment of principal elements	–	(3,159)	–	(3,159)
Repayment of convertible bonds	–	–	(33,813)	(33,813)
Interest paid	(2,314)	(124)	(2,729)	(5,167)
	22,136	(3,283)	(36,542)	(17,689)
Other changes:				
Interest expenses *(Note 10)*	2,367	124	490	2,981
Exchange difference	–	–	(1,135)	(1,135)
	2,367	124	(645)	1,846
As at 31 December 2023	56,555	859	–	57,414

40. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Borrowings *(Note 30)* RMB'000	Lease liabilities *(Note 19)* RMB'000	Amount due to a director RMB'000	Amounts due to related parties RMB'000	Convertible bonds *(Note 32)* RMB'000	Total RMB'000
As at 1 January 2022	–	6,925	2	130,293	–	137,220
Changes from cash flow:						
Proceeds from bank borrowings	32,000	–	–	–	–	32,000
Proceeds from loan from third parties	101,320	–	–	–	–	101,320
Proceeds from loan from a shareholder	19,050	–	–	–	–	19,050
Repayment of loan from third parties	(101,320)	–	–	–	–	(101,320)
Repayment of loan from a shareholder	(20,695)	–	–	–	–	(20,695)
Repayment of principal elements	–	(2,920)	–	–	–	(2,920)
Proceeds from convertible bonds	–	–	–	–	44,352	44,352
Repayment of convertible bonds	–	–	–	–	(13,996)	(13,996)
Repayment to a director	–	–	(2)	–	–	(2)
Settlement of consideration arise from business transfer	–	–	–	(130,293)	–	(130,293)
Interest paid	(3,405)	(273)	–	–	(898)	(4,576)
	26,950	(3,193)	(2)	(130,293)	29,458	(77,080)
Other changes:						
Interest expenses *(Note 10)*	3,457	273	–	–	6,689	10,419
Deemed capital contribution from a shareholder	(1,029)	–	–	–	–	(1,029)
Fair value change of convertible bond – conversion option derivative *(Note 9)*	–	–	–	–	(3,841)	(3,841)
Loss on de-recognition of convertible bonds *(Note 9)*	–	–	–	–	230	230
Exchange difference	2,674	–	–	–	4,651	7,325
Commencement of leases	–	13	–	–	–	13
	5,102	286	–	–	7,729	13,117
As at 31 December 2022	32,052	4,018	–	–	37,187	73,257

41. CAPITAL COMMITMENTS

	2023 RMB'000	2022 RMB'000
Capital expenditure contracted for but not provided in the financial statements in respect of the property, plant and equipment	11,090	11,262

42. EVENT AFTER THE REPORTING DATE

On 28 December 2023, the Group announced a proposed open offer to the shareholders a total of 400,000,000 shares at a price of HK$0.15 per share, on the basis of one rights share for every two shares held. The estimated net proceeds from the open offer will be approximately RMB53,004,000. Once the open offer completed, the number of ordinary shares will increase to 1,200,000,000 shares. Such offer is expected to commence on 21 March 2024.

Save as disclosed above, there is no material event undertaken by the Company or by the Group after the end of the reporting period and up to the date of authorisation for issue of these consolidated financial statements.

FINANCIAL SUMMARY

The following is a summary of the Group's published results, assets and liabilities for the past five financial years. The financial information as of 31 December 2022, 2023 has been extracted from the financial statements contained in the annual report for 2023, while the financial information for 2019, 2020 and 2021 has been extracted from the Company's prospectus dated 28 October 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the year ended 31 December				
	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)	2020 (RMB'000)	2019 (RMB'000)
Revenue	**1,192,040**	498,329	353,300	308,377	391,038
Gross profit	**117,846**	179,630	114,536	74,642	129,347
Profit before income tax	**30,015**	90,731	79,368	36,944	98,595
Profit for the year	**33,055**	67,700	64,741	31,784	80,024
Adjusted EBITDA	**50,717**	138,573	100,676	41,204	103,693
Adjusted net profit	**33,055**	89,883	73,396	31,784	80,024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December				
	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)	2020 (RMB'000)	2019 (RMB'000)
Assets					
Non-current assets	**195,687**	135,562	101,977	19,313	21,301
Current assets	**579,342**	580,990	247,762	352,162	290,067
Total assets	**775,029**	716,552	349,739	371,475	311,368
Liabilities					
Non-current liabilities	**400**	859	4,018	5,665	11,018
Current liabilities	**196,613**	170,833	192,212	89,958	56,795
Total liabilities	**197,013**	171,692	196,230	95,623	67,813
Equity					
Equity attributable to owners of the Company	**576,515**	543,347	151,972	229,288	202,443
Equity attributable to non-controlling interest	**1,501**	1,513	1,537	46,564	41,112
Total equity	**578,016**	544,860	153,509	275,852	243,555
Total equity and liabilities	**775,029**	716,552	349,739	371,475	311,368