

netjoy^x

NETJOY HOLDINGS LIMITED 云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2131

2024



INTERIM REPORT
2024

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Jiaqing (*Chairman*)
Mr. Wang Chen (*Chief Executive Officer*)
Mr. Lin Qian (*Chief Financial Officer*)
Ms. Zha Lijun

Non-executive Directors

Mr. Dai Liqun
Mr. Wang Jianshuo

Independent Non-executive Directors

Mr. Chen Changhua
Dr. Ru Liyun
Ms. Cui Wen

AUDIT COMMITTEE

Mr. Chen Changhua (*Chairman*)
Dr. Ru Liyun
Mr. Dai Liqun

REMUNERATION COMMITTEE

Dr. Ru Liyun (*Chairman*)
Mr. Chen Changhua
Mr. Dai Liqun

NOMINATION COMMITTEE

Mr. Xu Jiaqing (*Chairman*)
Mr. Chen Changhua
Dr. Ru Liyun

AUTHORIZED REPRESENTATIVES

Mr. Wang Chen
Ms. Peng Ting

COMPANY SECRETARY

Ms. Peng Ting

HONG KONG LEGAL ADVISOR

Eric Chow & Co. In Association
With Commerce & Finance Law Offices
3401, Alexandra House
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Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
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Hong Kong

REGISTERED OFFICE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
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HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
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Minhang District, Shanghai
PRC

China Construction Bank Corporation
Shanghai Caohejing Branch
No. 418, Guiping Road
Xuhui District, Shanghai
PRC

STOCK CODE

2131

COMPANY WEBSITE

www.netjoy.com

Financial Highlights

	Six months ended June 30,		
	2024 (unaudited)	2023 (unaudited)	Change
	(RMB in millions, except percentage)		
Revenue	1,558.95	1,620.75	(3.81)%
Gross profit	129.89	121.76	6.68%
Profit before income tax	29.17	36.75	(20.64)%
Profit for the period	23.85	31.46	(24.20)%
Adjusted net profit	42.94	40.68	5.56%

	As at	As at	Change
	June 30, 2024 (unaudited)	December 31, 2023 (audited)	
	(RMB in millions, except percentage)		
Non-current assets	219.55	237.66	(7.62)%
Current assets	2,628.55	2,408.79	9.12%
Current liabilities	1,407.44	1,252.13	12.40%
Non-current liabilities	8.46	9.14	(7.44)%
Total equity attributable to owners of the parent	1,432.32	1,386.50	3.30%

Management Discussion and Analysis

RESULTS HIGHLIGHTS FOR THE FIRST HALF OF 2024

In the first half of 2024, under the complicated and changeable global market economy situation, China's economy as a whole made steady progress and continued to improve. The country strategically cultivates and develops "new quality productivity" represented by Artificial Intelligence ("AI") Large Language Models, accelerates the vigorous development of digital economy, further promotes the deep integration of technological innovation and application in science and technology, and empowers social progress and industrial digital upgrading. At the same time, the digital marketing industry actively adapts to the dynamic changes in the market environment and technological development, and is developing in a more personalized, diversified and intelligent direction. In this environment, we adhere to the three long-term development strategies of "Platformization", "Diversification" and "Internationalization", and continue to use innovative technologies and creative content to build core competitiveness, laying a solid foundation for sustainable development.

In the first half of 2024, the Group's gross billing was about RMB3.663 billion, and the total revenue reached RMB1.559 billion, which was slightly lower than that of the same period in 2023, mainly due to the strategic adjustment of the Group, aiming at stabilizing profitability by optimizing customer structure and improving high-quality operating income. In terms of gross profit, the Group increased by 6.68% from RMB122 million in the first half of 2023 to RMB130 million in the first half of 2024, of which, the gross profit of e-commerce service solutions increased by 107.33% year-on-year. The gross profit margin of the Group reached 8.33%, representing an increase of 0.82 percentage points year-on-year; Our adjusted net profit was RMB43 million, an increase of 5.56% over the same period of last year. As of June 30, 2024, the Group's cash and bank balance was about RMB465 million, and its financial position was healthy, providing guarantee for future growth and development.

During the Reporting Period, we continued to cultivate intelligent marketing solutions, and focused on promoting the development of omni-channel e-commerce service solutions while our main business developed steadily. Based on the strong linkage effect of the two business segments and the iterative upgrade of the group's innovative technology Generative Artificial Intelligence ("AIGC") application, the number of key account ("KA") advertisers we served has increased to 954. By the end of the Reporting Period, we have provided services to 32,224 advertisers in 291 vertically subdivided industries, covering industries such as internet services, online games, financial services, culture&media, and e-commerce. At the same time, we have expanded our overseas resource network and made progress in innovative business in overseas markets.

As an important force to promote the commercial value of customers and partners, our value co-creation model based on technology empowerment has been widely recognized inside and outside the industry by virtue of our leading capabilities in the fields of integrated platform technology, media resource integration and big data analysis. As of the date of this announcement, we have won a number of industry awards and qualification recognition, including 2024 Giant Certified Digital Marketing Eco-education Summit "Global Operation Annual Education Quality Agent" (全域經營年度教育優質代理), Giant Engine Brand Asset Management Case Competition "Industry Pioneer Award" (行業先鋒獎), 2024 Magnetic Engine Native Advertising Creative Competition "Gold Award" (金獎), Magnetic Engine Vertical Pipeline Center "Outstanding Development Award" (卓越開拓獎), "Bilibili STAR One-star Effect Certification Agent" (嗶哩嗶哩 STAR 一星級效果認證代理商) and "Ali Big Entertainment Effect" (阿里大文娛效果廣告平台代理商).

BUSINESS REVIEW IN THE FIRST HALF OF 2024

In the first half of 2024, the Group adhered to the three strategies of “Platformization”, “Diversification” and “Internationalization”, adhered to the technology-driven strategy, realized the coordinated and high-quality development of diversified businesses with a brand-new enterprise structure, and continuously explored the market potential.

Intelligent marketing solutions

Faced with the rapid development of global digital economy and profound changes in marketing pattern, the Group upgraded its online marketing business to intelligent marketing business with the help of AIGC application, covering the full-link service from marketing strategy formulation, large-scale content creation, accurate cross-platform distribution and real-time data analysis. At the same time, we integrated SaaS-related businesses and launched AIGC commercial application products, aiming at creating more value for customers and partners from the server side to the digital tool side. During the Reporting Period, the gross billing generated by the Group per capita increased by 11.61% year-on-year to RMB11.34 million, and the average monthly capacity of the internal video production team exceeded 784, increased by 118.38% year-on-year. By the end of the Reporting Period, the short video history delivered and stylized by us has generated more than 1,323.7 billion shows and more than 473.8 billion video views.

At the same time, based on the current overall market situation, we timely adjust the customer industry and structure, identify and target sub-sectors with high growth potential, optimize the overall customer base, and enhance business resilience and flexibility. During the Reporting Period, the number of advertisers served by the Group increased to 954, a year-on-year increase of 20.6%; The top three industries are internet services, online games and financial services, accounting for 26.9%, 26.9% and 25.7% of the revenue of intelligent marketing solutions respectively.

During the Reporting Period, the Group devoted itself to accelerating the application of AIGC in the whole marketing chain, upgraded the level of automation and customization in all aspects from content production to budget management, and made positive progress in operational efficiency, service quality, technological innovation and market adaptability. As of June 30, 2024, the number of enterprise users of “Tianji” (天玑) platform increased by 103.33% to 549 year-on-year, and the highest quarterly turnover of the platform reached RMB1.22 billion. By using this platform, the working time can be saved by no less than 5,000 minutes per month. The number of registered users of self-developed AIGC products has reached 1,426. With the help of this tool, the production efficiency of picture materials is increased by about 20 times on average compared with the previous manual output mode, and the corresponding cost is reduced by about 14 times.

With the gradual landing of the “Internationalization” strategy, we have strengthened the ability of overseas customers to cross-border “into the sea” on the basis of the original one-stop customized marketing content service. We use the advantages of large-scale, localized short video creativity and big data-driven precision marketing technology to help overseas brand customers expand their business in China market. This forward-looking strategic layout can not only help the Group to consolidate its leading position in the domestic digital marketing field, but also further enhance our brand influence by accumulating rich cross-border marketing data and successful cases, thus creating favorable conditions for future expansion and long-term value creation in the global market.

BUSINESS REVIEW IN THE FIRST HALF OF 2024 (Continued)

E-commerce service solutions

With the digital economy accelerating the industrial transformation, the emerging e-commerce model is rising day by day, which brings opportunities and challenges to the traditional e-commerce ecology and urges industry participants to accelerate the pace of business transformation and upgrading. In view of this, the Group has continuously improved the “people, goods and fields” full-link solution based on the Internet traffic ecology. By integrating the global marketing channels, deepening social media marketing and simultaneously expanding traditional shelf e-commerce, it has formed the full-channel retail advantage, realized the seamless integration of online and offline operations, and created a one-stop full-link e-commerce service solution, enabling us to better optimize the access path of consumers and expand the market penetration rate of customer brands. During the Reporting Period, the gross profit margin of e-commerce service solutions of the Group increased by 10.69% to 27.50% year-on-year.

In the first half of 2024, we accelerated the construction of an integrated e-commerce business system and fostered a new business growth curve. By actively integrating third-party sales channels, we can help customers improve brand exposure and sales conversion rate, and at the same time help customers simplify their operational processes and enhance their market competitiveness. We make full use of our deep local market experience and media pipeline resources to customize localized life service solutions for our customers and help them adapt to and expand the market quickly. Through continuous optimization and improvement of the integrated e-commerce business system, we have formed competitive advantages in many vertical areas, including high-growth tracks such as 3C digital, beauty and personal care, pet food, big health and local life, which injected strong momentum into the sustained growth of e-commerce service solutions businesses.

Innovative business

The Group actively explored innovative business, and made breakthroughs mainly in the field of short drama. Relying on strong creative content production capacity and mature short video marketing delivery system, we have formed a closed-loop ecological chain of short drama industry integrating IP creativity, content production, film distribution and platform operation. We attach importance to the diversification of short drama themes and narrative innovation, and the drama content has covered many types such as city, love, suspense and science fiction, and has gained positive feedback from the market. By the end of the Reporting Period, our self-operated short drama applet platform covered 35.8 million users.

During the Reporting Period, the Group made great efforts to strengthen the refined and differentiated operation of short dramas and improve the overall operational efficiency of the business. Through big data analysis and the application of AI technology, we monitor and analyze the data indicators of short drama business in real time, deeply understand audience behavior patterns and reading preferences, accurately optimize content creation and marketing strategies, enhance users’ sense of participation, stimulate social fission communication effects, and enhance communication effects and content influence. With the expansion of short drama business, our income structure will be more diversified.

While achieving positive results in the domestic market, the Group has also actively expanded overseas markets and introduced high-quality short dramas to the world. In the first half of 2024, we further optimized the fine operation capability of short drama, laid out the overseas short drama market, and launched the first overseas short drama application (“APP”), which has been launched in China Hong Kong, the United States, Singapore, Thailand, Malaysia and other countries and regions, which will not only promote our internationalization strategy to upgrade, expand new business growth points, but also contribute to our long-term development in the global market.

BUSINESS OUTLOOK

Looking forward to the future, we will focus on the three core directions of “Platformization”, “Diversification” and “Internationalization”, and build a resilient business ecosystem by integrating resources, optimizing technical architecture, and expanding business territory. We will continue to increase investment in R&D, promote the landing of emerging technologies, optimize digital operation capabilities, consolidate our leading position in the field of short video marketing, build a long-term sustainable competitive advantage, and move towards the goal of becoming a comprehensive digital marketing group with global competitiveness. In the second half of 2024, we will focus on the following three aspects to promote business layout.

AIGC technology drives business upgrade and intelligently empowers overall development

As a technologically innovative enterprise, the Group deeply recognizes that AIGC technology has become a revolutionary force in digital content production and is reshaping the value chain of the entire marketing field. We will assist our customers and partners to improve the core driving force of digital marketing efficiency, and at the same time, we will continue to upgrade our internal marketing solutions, optimize the intelligent level of text, images, videos and other marketing materials, and provide customers with more accurate and personalized marketing solutions, thus enhancing our brand appeal and sales conversion rate.

We will also actively explore the application of AIGC technology in marketing strategy formulation and delivery optimization, and improve the intelligent level of the whole process from audience analysis, media selection to budget allocation. We expect to identify the behavior patterns and interest preferences of the target audience more accurately through the intelligent marketing decision-making system, and then formulate smarter and more efficient marketing solutions. At the same time, within the Group, the in-depth application of emerging technologies such as AIGC will continue to help us simplify processes, improve operational efficiency, and promote the development of digital marketing to high quality.

Stimulate the vitality of diversified business sectors and continuously expand business boundaries

In order to better meet the market demand and flexibly respond to market changes, we will continue to adhere to the diversification strategy and create more growth opportunities on the basis of consolidating our core business advantages. We plan to take e-commerce service solutions as the strategic focus, extend the original business industrial chain, and actively create the second growth curve of the Group. Specifically, based on the good development momentum of e-commerce service solutions businesses in the first half of 2024, we will build a fully integrated intelligent e-commerce ecosystem, implement omni-channel e-commerce service strategy, and strengthen our competitive advantage in distribution business. At the same time, we will also promote the innovation of marketing means and product portfolio, enhance the user’s buying experience and platform conversion rate, and realize business growth and profit maximization.

In the context of the increasing popularity of short drama content, the Group will actively seize the opportunities in emerging fields such as short drama, increase investment in high-quality short drama, create a matrix of short drama content with market appeal, and maximize the exposure and influence of short drama content through multi-platform distribution strategy. In the future, we hope to innovatively integrate intelligent marketing solutions, e-commerce service solutions and short drama business, give play to the synergy of the Group’s diversified business matrix, continue to open up new growth points, and ensure long-term development and leading position.

BUSINESS OUTLOOK (Continued)

Enhance international competitiveness and open wider market space

Influenced by digital technology innovation, changing market demand and increasingly frequent cross-border business activities, the global digital marketing field is facing unprecedented opportunities. As a technical pioneer in the field of digital marketing, the Group will seize the opportunity to accelerate the internationalization process in order to realize its own layout in the global market. We will give full play to the technical ability and successful experience accumulated in the domestic short video marketing market, formulate differentiated business development strategies, accelerate the expansion of overseas online marketing, e-commerce and short drama fields, and at the same time enhance the application of intelligent marketing service system in international business, so as to provide localized short video marketing operation support for overseas corporate customers and better meet their “going to sea (出海)” needs.

In the new development stage of international digital business ecology, the Group will comprehensively apply the strategies of “going to sea” and “into the sea (入海)”, not only attach importance to overseas market expansion, but also vigorously promote the service of “into the sea”. In terms of strategy, we will serve as a bridge for cross-cultural communication, provide customized intelligent marketing and e-commerce services for overseas brands, assist overseas brands to enter the mainstream platform, and help them quickly enter and expand the China market. Through the strategy of “going to sea” and “into the sea”, we will realize the double promotion of resources and market, continuously expand the management radius and optimize the operational efficiency, and strengthen the diversification and international strategic layout of the Company’s business.

FINANCIAL REVIEW

Revenue

We generate our revenue primarily from the provision of (i) our intelligent marketing solutions to advertisers directly or through advertising agencies; (ii) e-commerce service solutions; and (iii) innovative business. Our total revenue decreased by 3.81% from RMB1,620.75 million for the six months ended June 30, 2023 to RMB1,558.95 million for the six months ended June 30, 2024, mainly due to the strategic adjustment of the Group, aiming at stabilizing profitability by optimizing customer structure and improving high-quality operating income.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Revenue by business segments

The following table sets forth our revenue by business segments for the periods indicated:

	Six months ended June 30,			
	2024	% of	2023	% of
	(RMB'000)	the total	(RMB'000)	the total
	(unaudited)		(unaudited)	
Intelligent marketing solutions ⁽¹⁾	1,461,539	93.7	1,548,676	95.6
E-commerce service solutions	41,639	2.7	32,855	2.0
Innovative business ⁽²⁾	55,771	3.6	39,215	2.4
Total	1,558,949	100.0	1,620,746	100.0

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business includes short drama business.

We enter into annual framework agreements with our advertising customers and charge them for intelligent marketing solutions based primarily on a mix of oCPM, oCPC and CPC. Our intelligent marketing solutions business grew stably during the Reporting Period, benefiting from the increased recognition of short video marketing by both audiences and advertisers and the popularity of short video marketing. During the Reporting Period, while optimizing and upgrading the intelligent marketing solutions business, we actively adjusted the customer structure and optimized the overall customer base, so that our intelligent marketing solutions business developed steadily during the Reporting Period. The revenue generated by the intelligent marketing solutions business in the six months ended June 30, 2024 accounted for 93.7% of our total revenue.

Revenue from intelligent marketing solutions business by type of advertising customers

Our advertising customers include primarily advertisers, and to a lesser extent, advertising agencies.

The table below sets forth a breakdown of revenue generated from our intelligent marketing solutions business by type of advertising customers for the periods indicated:

	Six months ended June 30,			
	2024	% of	2023	% of
	(RMB'000)	the total	(RMB'000)	the total
	(unaudited)		(unaudited)	
Advertisers	1,454,589	99.5	1,546,557	99.9
Advertising agencies	6,950	0.5	2,119	0.1
Total	1,461,539	100.0	1,548,676	100.0

FINANCIAL REVIEW (Continued)

Revenue by business segments (Continued)

Revenue from intelligent marketing solutions business by industry verticals

The advertisers we serve operate in a wide array of industry verticals, which primarily include online games, financial services, e-commerce, internet services, advertising and culture & media.

The table below sets forth a breakdown of revenue generated from our intelligent marketing solutions business by industry verticals for the periods indicated:

	Six months ended June 30,			
	2024	% of	2023	% of
	(RMB'000)	the total	(RMB'000)	the total
	(unaudited)		(unaudited)	
Online games	393,360	26.9	342,559	22.1
Financial services ⁽¹⁾	374,945	25.7	403,807	26.1
E-commerce	59,500	4.1	58,517	3.8
Internet services	393,611	26.9	426,490	27.4
Advertising	94,502	6.5	103,237	6.7
Culture & media	142,470	9.7	208,312	13.5
Others ⁽²⁾	3,151	0.2	5,754	0.4
Total	1,461,539	100.0	1,548,676	100.0

Notes:

- (1) Financial services primarily include online insurance, consumer financing and retail banking.
- (2) Others mainly include business services and healthcare.

During the six months ended June 30, 2024, the internet services industry was still our largest group of advertising customers. Our revenue generated from the internet services industry accounted for 27.4% and 26.9% of our total revenue derived from intelligent marketing solutions business for the six months ended June 30, 2023 and 2024, respectively.

During the six months ended June 30, 2024, we further explored other industry verticals, such as online games. Our revenue generated from online games, as a percentage of our total revenue generated from intelligent marketing solutions business, increased from 22.1% for the six months ended June 30, 2023 to 26.9% for the six months ended June 30, 2024.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Key Financial Ratios

	Six months ended June 30,	
	2024	2023
Gross profit margin (%) ⁽¹⁾	8.33	7.51
Net profit margin (%) ⁽²⁾	1.53	1.94
Current ratio (times) ⁽³⁾	1.87	1.89
Adjusted net profit margin (%) ⁽⁴⁾	2.75	2.51
Debt-to-asset ratio (times) ⁽⁵⁾	0.50	0.49

Notes:

- (1) Gross profit margin is calculated based on gross profit for the period divided by revenue for the respective period and multiplied by 100%.
- (2) Net profit margin is calculated based on profit for the period divided by revenue for the respective period and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities.
- (4) Equals to adjusted net profit divided by revenue for the period and multiplied by 100%. For the reconciliation from net profit to adjusted net profit, see "Non-IFRS Measure: Adjusted Net Profit" below.
- (5) Debt-to-asset ratio is calculated based on total liabilities divided by total assets.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Six months ended June 30,			
	2024		2023	
	(RMB'000) (unaudited)	% of the total	(RMB'000) (unaudited)	% of the total
Traffic acquisition cost	1,332,582	93.3	1,425,369	95.1
Employee benefit expenses	17,603	1.2	20,201	1.3
Others ⁽¹⁾	78,878	5.5	53,420	3.6
Total	1,429,063	100.0	1,498,990	100.0

Note:

- (1) Others primarily comprise costs in relation to the rental of servers and the outsourcing of content production.

FINANCIAL REVIEW (Continued)

Cost of Sales (Continued)

Our cost of sales primarily consists of traffic acquisition costs and employee benefit expenses. For the six months ended June 30, 2024, traffic acquisition costs constituted the largest portion of our cost of sales, and others constituted the second largest portion of our cost of sales. For the six months ended June 30, 2023 and the six months ended June 30, 2024, our traffic acquisition costs amounted to RMB1,425.4 million and RMB1,332.6 million respectively, accounting for approximately 95.1% and 93.3% respectively, of our total cost of sales for the respective periods, which was in line with our business change. For the six months ended June 30, 2023 and the six months ended June 30, 2024, our employee benefit expenses amounted to RMB20.2 million and RMB17.6 million respectively, accounting for approximately 1.3% and 1.2% respectively, of our total cost of sales for the respective periods, which was caused by optimizing the organizational structure, reducing costs and increasing efficiency. For the six months ended June 30, 2023 and the six months ended June 30, 2024, our other costs amounted to RMB53.4 million and RMB78.9 million, respectively, accounting for approximately 3.6% and 5.5%, respectively, of our total cost of sales for the respective periods, which was attributable to the increase in other business expenses.

The following table sets forth a breakdown of our cost of sales by service offerings and revenue recognition methods for the periods indicated:

	Six months ended June 30,			
	2024	% of	2023	% of
	(RMB'000)	the total	(RMB'000)	the total
	(unaudited)		(unaudited)	
Intelligent marketing solutions ⁽¹⁾	1,379,589	96.5	1,460,052	97.4
E-commerce service solutions	30,188	2.1	27,332	1.8
Innovative business ⁽²⁾	19,286	1.3	11,606	0.8
Total	1,429,063	100.0	1,498,990	100.0

Notes:

- (1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.
- (2) Innovative business includes short drama business.

FINANCIAL REVIEW (Continued)

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by service offerings and revenue recognition methods for the periods indicated:

	Six months ended June 30,			
	2024		2023	
	Gross Profit (RMB'000) (unaudited)	Gross profit margin %	Gross Profit (RMB'000) (unaudited)	Gross profit margin %
Intelligent marketing solutions ⁽¹⁾	81,950	5.61	88,624	5.72
E-commerce service solutions	11,451	27.50	5,523	16.81
Innovative business ⁽²⁾	36,485	65.42	27,609	70.40
Total	129,886	8.33	121,756	7.51

Notes:

- (1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.
- (2) Innovative business includes short drama business.

Our gross profit consists of our revenue less cost of sales. The Group recorded gross profit of RMB129.9 million for the six months ended June 30, 2024, representing a increase of 6.68% as compared to the gross profit of RMB121.8 million for the six months ended June 30, 2023.

Gross profit margin represents gross profit divided by total revenue, expressed as a percentage. The gross profit margin for the six months ended June 30, 2023 and the gross profit margin for the six months ended June 30, 2024 were 7.51% and 8.33% respectively. The main reason is that for this Group, by improving the operation efficiency, optimizing the structure to meet the needs of the market, the risk management has been strengthened at the same time, and the cooperation with excellent customers has greatly stabilized and improved the profitability.

Other Income and Gains

Our other income and gains decreased from RMB18.48 million for the six months ended June 30, 2023 to RMB1.48 million for the six months ended June 30, 2024, mainly due to the fact that the amount of government subsidies was greatly reduced compared with that in 2023 because VAT deduction policy expires in 2024.

FINANCIAL REVIEW (Continued)

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) employee benefit expenses for our sales and marketing staff; (ii) entertainment expenses for the maintenance and management of customer relationships; and (iii) travelling expenses for the transportation and accommodation of business travels of our sales and marketing staff.

Our selling and distribution expenses gradually increased from RMB32.62 million for the six months ended June 30, 2023 to RMB45.02 million for the six months ended June 30, 2024, which was mainly attributable to the increase in the publicity expenditure of short drama business.

General and Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses; (ii) professional fees; (iii) depreciation and amortization expenses; (iv) office and rental expenses; (v) travelling expenses; and (vi) entertainment expenses for hospitality.

Our administrative expenses gradually increased by 8.0% from RMB39.48 million for the six months ended June 30, 2023 to RMB42.64 million for the six months ended June 30, 2024, which was mainly attributable to the expansion of the company's business and the increase of management personnel.

Research and Development Expenses

Our research and development expenses primarily comprise (i) employee benefit expenses; (ii) outsourcing development expenses; and (iii) others, mainly consisting of server rental expenses. Our research and development expenses decreased by 39.48% from RMB5.47 million for the six months ended June 30, 2023 to RMB3.31 million for the six months ended June 30, 2024, which was mainly attributable to the change of R&D system.

Other Expenses

Our other expenses decreased from RMB1.77 million for the six months ended June 30, 2023 to RMB0.60 million for the six months ended June 30, 2024, mainly due to the fair value loss of financial investments.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net represent provisions of impairment of trade receivables, net of reversal. We recorded impairment losses on financial assets, net of RMB0.28 million for the six months ended June 30, 2024, which was mainly attributable to the provision for general credit losses made by our trade receivables.

Finance Costs

Our financial cost remained basically unchanged from RMB10.43 million for the six months ended June 30, 2023 to RMB10.43 million for the six months ended June 30, 2024.

Income Tax Expenses

Our income tax expenses increased from RMB5.29 million for the six months ended June 30, 2023 to RMB5.32 million for the six months ended June 30, 2024, which was mainly due to the increase in deferred income tax expenses during the Reporting Period.

FINANCIAL REVIEW (Continued)

Profit for the Period

As a result of the above, our profit for the period decreased by 24.2% from RMB31.46 million for the six months ended June 30, 2023 to RMB23.85 million for the six months ended June 30, 2024. Our net profit margin decreased from 1.94% for the six months ended June 30, 2023 to 1.53% for the six months ended June 30, 2024.

Non-IFRS Measure: Adjusted Net Profit

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which our management does not consider to be indicative of our operating performance. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management.

However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following tables reconcile our adjusted net profit for the periods presented to the most directly comparable financial measures calculated and presented in accordance with IFRS:

	Six months ended June 30,	
	2024	2023
	(RMB in millions)	
	(unaudited)	(unaudited)
Net profit for the period	23.85	31.46
Add:		
Share-based compensation	13.72	2.18
Foreign exchange differences	0.05	1.75
Income tax expense	5.32	5.29
Adjusted net profit⁽¹⁾	42.94	40.68

Note:

- (1) Adjusted net profit is defined as net profit for the period after adding back share-based compensation, foreign exchange differences and income tax expenses incurred during the respective period.

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources

Our business operations and expansion plans require a significant amount of capital, including acquiring user traffic from online publishers, enhancing our content production capabilities, improving our big data analytics and AI capabilities, upgrading our proprietary DMP and other infrastructures as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, and capital contributions from shareholders of the Company (the “Shareholders”). Our cash and bank balances increased from RMB363.61 million as at December 31, 2023 to RMB465.17 million as at June 30, 2024, mainly attributable to the replenishment of working capital with the expansion of business scale.

The table below sets out our liquidity as at December 31, 2023 and as at June 30, 2024, respectively:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cash and bank balance	465,173	363,605
Denominated in RMB	465,063	363,417
Denominated in HKD	72	56
Denominated in USD	38	132
	465,173	363,605

As at June 30, 2024, our bank loans amounted to approximately RMB451.45 million (as at December 31, 2023: approximately RMB414.94 million). Our bank loans are denominated in RMB. The interest rates on our bank loans ranged from 2.30% to 4.00% (for the year ended December 31, 2023: 2.30% to 4.30%) per annum and the terms of the loans ranged from six months to one year. We will repay the above borrowings in due a course on maturity.

FINANCIAL REVIEW (Continued)

Capital Expenditures

Our capital expenditures for the six months ended June 30, 2024 primarily consists of expenditures on (i) property, plant and equipment for office equipment and leasehold improvement; and (ii) intangible assets for software and the user right of a website.

The following table sets out our net capital expenditure as at the dates indicated:

	As at June 30, 2024 (RMB in millions) (unaudited)	As at December 31, 2023 (audited)
Property, plant and equipment	0.13	21.52
Intangible assets	4.18	9.50
Total	4.31	31.02

We incurred capital expenditures of approximately RMB4.31 million for the six months ended June 30, 2024, primarily related to office furniture and decoration as well as purchases of software. We intend to fund our planned capital expenditures through cash generated from operations.

Pledge of Assets

As at June 30, 2024, some bank loans were deposited with the Group of approximately RMB50.1 million (as at December 31, 2023: Nil) and were guaranteed by the Company and certain subsidiaries of the Company. The trade receivables of some customers of the Group have been pledged to guarantee the trade payables of approximately RMB150.00 million (December 31, 2023: RMB150.00 million) granted to the Group.

Foreign Exchange Risk Management

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in RMB. The Group will closely monitor the relevant situation and take measures when necessary to ensure that the foreign exchange risk is within the controllable range.

Contingent Liabilities

As at June 30, 2024, the Group did not have any material contingent liabilities.

FINANCIAL REVIEW (Continued)

Employees

As at June 30, 2024, we had 323 full-time employees, including 273 in Shanghai, 20 in Xi'an, 19 in Beijing, 8 in Xinjiang and 3 in Jingxian. As at June 30, 2024, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

Our employees typically enter into standard employment contracts with us. We place high value on recruiting, training and retaining our employees. We maintain high recruitment standards and provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary and bonus. We also provide both in-house and external trainings for our employees to improve their skills and knowledge. For the six months ended June 30, 2024, total staff remuneration expenses including Directors' remuneration amounted to RMB49.26 million.

We contribute to social security insurance and housing provident funds for our employees in accordance with applicable PRC laws, rules and regulations in all material aspects.

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. The Company has adopted a post-IPO share option scheme, a restricted share unit scheme (the "**Restricted Share Unit Scheme**"), a amended post-IPO share option scheme and share award scheme. As at June 30, 2024, the Trustee had purchased a total of 30,948,939 shares in the market under the Restricted Share Unit Scheme adopted by the Company on October 18, 2021, representing approximately 3.89% of the total number of shares in issue as at the date of this announcement (i.e. 795,658,000 shares).

Retirement and Employee Benefits Schemes

The Group only operate defined contribution pension plans. The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension scheme.

Material Acquisition, Disposal of Subsidiaries, Associates and Joint Ventures and Significant Investment

As of June 30, 2024, the Group did not acquire or sell subsidiaries, associates and joint ventures.

As of June 30, 2024, the Group did not hold any significant investments.



Corporate Governance/Other Information

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance its value and accountability. The Company has adopted the Corporate Governance Code contained in Appendix C1 to the Listing Rules as its governance code.

During the Reporting Period, the Company has always complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

INTERIM DIVIDEND

The Board did not declare the payment of any interim dividend for the six months ended June 30, 2024.

AUDIT COMMITTEE

The Board has established an Audit Committee, consisting of two independent non-executive Directors, namely, Mr. Chen Changhua (Chairman) and Dr. Ru Liyun, and one non-executive Director, namely Mr. Dai Liqun. Written terms of reference have been adopted for the Audit Committee, which clearly specify its duties and responsibilities and are available for inspection on the websites of the Company and the Stock Exchange.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended June 30, 2024 is unaudited and has not been reviewed by the auditor of the Company, but has been reviewed by the Audit Committee.

The Audit Committee has, together with the management, reviewed the accounting policies adopted by the Group. They also discussed risk management, internal controls of the Group and financial reporting matters, including having reviewed and agreed to the unaudited interim condensed consolidated financial statements during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended June 30, 2024, none of the Company or any of its subsidiaries or its Consolidated Affiliated Entities had purchased, sold or redeemed any of the listed securities of the Company.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group did not have any other immediate plans for material investment and capital assets as at the Latest Practicable Date.

SUBSEQUENT EVENTS

Save as disclosed above, after June 30, 2024 and up to the Latest Practicable Date, there were no material events affecting the Group.

CHANGE IN DIRECTORS' INFORMATION

The Directors, including the chief executive officer, confirm that the changes in any Director's information, including the chief executive officer's information, since the publication of the 2023 annual report of the Company and up to the Latest Practicable Date that is required to be disclosed in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules are as follows:

Mr. Chen Changhua (陳長華), aged 44, is an independent non-executive Director of the Company. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Since May 2024, Mr. Chen has served as the vice president of finance of Shanghai Haluo Puhui Technology Co., Ltd. (上海哈囉普惠科技有限公司), mainly responsible for the financial operation of the company. Mr. Chen has been the chief financial officer of Shanghai Zhiduo Fish Information Technology Co., Ltd. (上海智多魚信息科技有限公司) from May 2022 to April 2024. He was mainly responsible for the company's finance sector. Mr. Chen has held directorship at Guofu Life Insurance Co., Ltd. (國富人壽保險股份有限公司) from June 2018 to June 2020. He has extensive experience in accounting and financial management. Mr. Chen has been the chief financial officer of financial service platform (金融服務平台) in Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司), a subsidiary of Meituan Dianping (美團點評) (stock code: 3690), since April 2018, primarily responsible for financial analysis. Prior to that, he served as the senior director of Vipshop (China) Co., Ltd. (唯品會(中國)有限公司) from October 2011 to April 2018, whose holding company, Vipshop Holdings Limited, is listed on the New York Stock Exchange (stock code: VPIS), primarily responsible for financial analysis. Mr. Chen also served as the audit manager at Deloitte Touche Tohmatsu CPA Ltd. (德勤華永會計師事務所有限公司) from July 2005 to November 2011.

Mr. Chen graduated with a bachelor's degree in marketing from Dalian Maritime University (大連海事大學) in July 2002. He further obtained a master's degree in industrial economics from Shanghai University (上海大學) in April 2005, and a master's degree in business administration from University of Southern California in August 2016, respectively. Mr. Chen was admitted as a member of Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in April 2012, and was licensed as a certified public accountant by the Board of Accountancy of Washington in the U.S.

Save as disclosed in this report, the Directors, including the chief executive officer, confirm that there has been no change in any Director's information, including the chief executive officer's information, since the publication of the 2023 Annual Report up to the Latest Practicable Date of this report that is required to be disclosed in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

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

As at June 30, 2024, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which have been entered in the register required to be kept pursuant to section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules, are as follows:

(i) Interests in the Shares of the Company

Name of Director/ Chief executive	Nature of interest	Number of Shares	Approximate percentage of the total number of the Shares ⁽²⁾
Mr. Wang ⁽³⁾⁽⁴⁾⁽⁵⁾	Founder of a discretionary trust/Interest in a controlled corporation/Beneficial owner/Trust beneficiary (except discretionary interests)	121,814,831 (L)	15.31%
Mr. Xu ⁽⁶⁾⁽⁷⁾⁽⁸⁾	Founder of a discretionary trust/Interest in a controlled corporation/Beneficial owner/Trust beneficiary (except discretionary interests)	104,282,288 (L)	13.11%
Mr. Dai ⁽⁹⁾⁽¹²⁾	Founder of a discretionary trust/Interest in a controlled corporation	52,981,959 (L)	
	Interest of spouse	9,762,588 (L)	
		62,744,547 (L)	7.89%
Mr. Wang Jianshuo ⁽¹⁰⁾	Interest in a controlled corporation	72,637,002 (L)	9.13%
Ms. Peng Ting ⁽¹¹⁾⁽¹²⁾	Beneficial Owner	9,762,588 (L)	
	Interest of spouse	52,981,959 (L)	
		62,744,547 (L)	7.89%
Ms. Zha Lijun ⁽¹³⁾⁽¹⁴⁾	Beneficial owner	11,028,075 (L)	
	Trust beneficiary (except discretionary interests)	3,350,000 (L)	
		14,378,075 (L)	1.81%
Mr. Lin Qian ⁽¹⁵⁾⁽¹⁶⁾	Beneficial owner	5,116,926 (L)	
	Trust beneficiary	1,210,000 (L)	
		6,326,926 (L)	0.80%

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

(i) Interests in the Shares of the Company (Continued)

Notes:

1. The letter "L" denotes a long position in these shares.
2. As at June 30, 2024, the Company had 795,658,000 issued shares in total.
3. Mr. Wang is interested in 218,524 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.
4. Mr. Wang has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the RSU Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.
5. Wang SPV is the Direct Holding SPV of The Longhills Trust, which is set up by Mr. Wang (as the economic settlor and the protector) and Derun Investments (as the settlor). Derun Investments is the Offshore Holding Company wholly owned by Mr. Wang. Therefore, Mr. Wang (as the founder of The Longhills Trust and the sole shareholder of Derun Investments) is deemed to be interested in the Shares directly held by Wang SPV by virtue of the SFO.
6. Mr. Xu is interested in 333,135 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.
7. Mr. Xu has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the RSU Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.
8. Xu SPV is the Direct Holding SPV of The FS Trust, which is set up by Mr. Xu (as the economic settlor and the protector) and Quantum Computing (as the settlor). Quantum Computing is the Offshore Holding Company wholly owned by Mr. Xu. Therefore, Mr. Xu (as the founder of The FS Trust and the sole shareholder of Quantum Computing) is deemed to be interested in the Shares directly held by Xu SPV by virtue of the SFO.
9. Dai SPV is the Direct Holding SPV of The RGRGU Trust, which is set up by Mr. Dai (as the economic settlor and the protector) and Global Awesomeness (as the settlor). Global Awesomeness is the Offshore Holding Company wholly owned by Mr. Dai. Therefore, Mr. Dai (as the founder of The RGRGU Trust and the sole shareholder of Global Awesomeness) is deemed to be interested in the Shares directly held by Dai SPV by virtue of the SFO.
10. Kijiji is a wholly-owned subsidiary of Baixing Net. Mr. Wang Jianshuo is entitled to exercise the voting rights attached to approximately 40.84% shares of Baixing Net which are directly held by himself and three entities (i.e., Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi). Each of Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi is a limited partnership established in the PRC, the sole general partner of which is Mr. Wang Jianshuo. Therefore, Baixing Net and Mr. Wang Jianshuo are deemed to be interested in the Shares directly held by Kijiji by virtue of the SFO.
11. Ms. Peng Ting, vice president and company secretary of the Company, is interested in 9,762,588 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to her upon the fully exercise of all the options granted to her under the Post-IPO Share Option Scheme.
12. Ms. Peng Ting is the spouse of Mr. Dai. Therefore, Ms. Peng is deemed to be interested in Mr. Dai's interests by virtue of the SFO.

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

(i) Interests in the Shares of the Company (Continued)

Notes: (Continued)

13. Ms. Zha is interested in 11,028,075 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to her upon the fully exercise of all the options granted to her under the Post-IPO Share Option Scheme.
14. Ms. Zha has an interest in 3,350,000 relevant shares, which are Restricted Share Units granted under the RSU Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.
15. Mr. Lin is interested in 1,210,000 underlying shares, which are restricted shares granted under the RSU Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any clawback mechanism.
16. Mr. Lin has an interest in 5,066,926 relevant shares, which may be allotted and issued to him upon the fully exercise of all the options granted to her under the Post-IPO Share Option Scheme.

(ii) Interests in associated corporation

Name of Director/ Chief executive	Nature of interest	Name of associated corporation	Attributable registered capital (RMB)	Approximate percentage
Mr. Wang	Beneficial interest	Netjoy Network	10,156,872	18.97%
	Beneficial interest	Tradeplus	2,000,000	40.00%
Mr. Xu	Beneficial interest	Netjoy Network	8,581,778	16.03%
Mr. Dai	Beneficial interest	Netjoy Network	5,992,656	11.20%
	Beneficial interest	Tradeplus	3,000,000	60.00%

Save as disclosed above, as of June 30, 2024, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which shall be entered in the register required to be kept pursuant to section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

Except as disclosed in this report, the Company or its subsidiaries or Consolidated Affiliated Entities did not enter into any arrangement at any time during the Reporting Period to enable the Directors to acquire benefits by purchasing the shares or debentures of the Company or any other corporation, and no directors or their spouses or children under the age of 18 had been granted any right to subscribe for the equity or debt securities of the Company or any other corporation, or had exercised any such right.

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

As at June 30, 2024, to the knowledge of the Directors, the following persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of the total number of the Shares ⁽²⁾
CityLinkers Trust Hong Kong Limited ⁽³⁾⁽⁶⁾⁽⁹⁾⁽¹⁰⁾	Trustee	315,997,070 (L)	39.72%
Mr. Wang ⁽⁴⁾⁽⁵⁾⁽⁶⁾	Founder of a discretionary trust/Interest in a controlled corporation/Trust beneficiary (except discretionary interests)	121,814,831 (L)	15.31%
Derun Investments ⁽⁶⁾	Founder of a discretionary trust	113,796,307 (L)	14.30%
Wang SPV ⁽⁶⁾	Beneficial owner	113,796,307 (L)	14.30%
Derun International ⁽⁶⁾	Interest in a controlled corporation	113,796,307 (L)	14.30%
Mr. Xu ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Founder of a discretionary trust/Interest in a controlled corporation/Trust beneficiary (except discretionary interests)	104,282,288 (L)	13.11%
Quantum Computing ⁽⁹⁾	Founder of a discretionary trust	96,149,153 (L)	12.08%
Xu SPV ⁽⁹⁾	Beneficial owner	96,149,153 (L)	12.08%
FSS Investment ⁽⁹⁾	Interest in a controlled corporation	96,149,153 (L)	12.08%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of the total number of the Shares ⁽²⁾
Mr. Dai ⁽¹⁰⁾⁽¹²⁾	Founder of a discretionary trust/Interest in a controlled corporation	52,981,959 (L)	
	Interest of spouse	9,762,588 (L)	
		<u>62,744,547 (L)</u>	<u>7.89%</u>
Global Awesomeness ⁽¹⁰⁾	Founder of a discretionary trust	52,981,959 (L)	6.66%
Dai SPV ⁽¹⁰⁾	Beneficial owner	52,981,959 (L)	6.66%
Baxter Investment ⁽¹⁰⁾	Interest in a controlled corporation	52,981,959 (L)	6.66%
Ms. Peng Ting ⁽¹¹⁾⁽¹²⁾	Beneficial owner	9,762,588 (L)	
	Interest of spouse	52,981,959 (L)	
		<u>62,744,547 (L)</u>	<u>7.89%</u>
Kijiji ⁽¹³⁾	Beneficial owner	72,637,002 (L)	9.13%
Baixing Net ⁽¹³⁾	Interest in a controlled corporation	72,637,002 (L)	9.13%
Mr. Wang Jianshuo ⁽¹³⁾	Interest in a controlled corporation	72,637,002 (L)	9.13%
Wutong Holding	Beneficial owner	46,200,666 (L)	5.81%
Jingheng Jianyong ⁽¹⁴⁾ (as defined below)	Beneficial owner	40,468,390 (L)	5.09%
Beijing Jingheng ⁽¹⁴⁾ (as defined below)	Interest in a controlled corporation	40,468,390 (L)	5.09%
Mr. Song Lingjie ⁽¹⁴⁾	Interest in a controlled corporation	40,468,390 (L)	5.09%
Ms. Liu Yongyan ⁽¹⁴⁾	Interest in a controlled corporation	40,468,390 (L)	5.09%
Schroders Plc ⁽¹⁵⁾	Investment manager	79,441,000 (L)	9.98%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

1. The letter "L" denotes a long position in these shares.
2. As at June 30, 2024, the Company had 795,658,000 issued shares in total.
3. CityLinkers Trust Hong Kong Limited is the trustee of the Family Trusts, the discretionary family trusts set up by Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai, and Mr. Ru respectively. Therefore, CityLinkers Trust Hong Kong Limited is deemed to be interested in the Shares directly held by Wang SPV, Xu SPV, Qin SPV, Dai SPV, and Ru SPV by virtue of the SFO. (For the convenience of administration, the discretionary family trusts established by Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai and Mr. Ru was moved from PraxisIFM Fiduciaries (Hong Kong) Limited to CityLinkers Trust Hong Kong Limited (the "new trustee") in June 2024. The new trustee has been exempted from the mandatory comprehensive tender offer responsibility arising from the change of trustee under Note 6 of Rule 26.1 of the Code of Takeovers, Mergers and Share Repurchases of Hong Kong Companies.)
4. Mr. Wang is interested in 218,524 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.
5. Mr. Wang has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the RSU Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.
6. Wang SPV is wholly owned by Derun International, which is in turn the holding vehicle of the Trustee of The Longhills Trust. The Longhills Trust is set up by Mr. Wang (as the economic settlor and the protector) and Derun Investments (as the settlor). Derun Investments is the Offshore Holding Company wholly owned by Mr. Wang. Therefore, each of Mr. Wang (as the founder of The Longhills Trust and the sole shareholder of Derun Investments), Derun Investments (as the founder of The Longhills Trust), Derun International (as the sole shareholder of Wang SPV) is deemed to be interested in the Shares directly held by Wang SPV by virtue of the SFO.
7. Mr. Xu is interested in 333,135 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.
8. Mr. Xu has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the RSU Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.
9. Xu SPV is wholly owned by FSS Investment, which is in turn the holding vehicle of the Trustee of The FS Trust. The FS Trust is set up by Mr. Xu (as the economic settlor and the protector) and Quantum Computing (as the settlor). Quantum Computing is the Offshore Holding Company wholly owned by Mr. Xu. Therefore, each of Mr. Xu (as the founder of The FS Trust and the sole shareholder of Quantum Computing), Quantum Computing (as the founder of The FS Trust), FSS Investment (as the sole shareholder of Xu SPV) is deemed to be interested in the Shares directly held by Xu SPV by virtue of the SFO.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Notes: (Continued)

10. Dai SPV is wholly owned by Baxter Investment, which is in turn the holding vehicle of the Trustee of The RGRGU Trust. The RGRGU Trust is set up by Mr. Dai (as the economic settlor and the protector) and Global Awesomeness (as the settlor). Global Awesomeness is the Offshore Holding Company wholly owned by Mr. Dai. Therefore, Mr. Dai (as the founder of The RGRGU Trust and the sole shareholder of Global Awesomeness), Global Awesomeness (as the founder of The RGRGU Trust), Baxter Investment (as the sole shareholder of Dai SPV) is deemed to be interested in the Shares directly held by Dai SPV by virtue of the SFO.
11. Ms. Peng Ting, vice president and company secretary of the Company, is interested in 9,762,588 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.
12. Ms. Peng Ting is the spouse of Mr. Dai. Therefore, Ms. Peng is deemed to be interested in Mr. Dai's interests by virtue of the SFO.
13. Kijiji is a wholly-owned subsidiary of Baixing Net. Mr. Wang Jianshuo, a non-executive Director, is entitled to exercise the voting rights attached to approximately 40.84% shares of Baixing Net which are directly held by himself and three entities (i.e., Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi). Each of Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi is a limited partnership established in the PRC, the sole general partner of which is Mr. Wang Jianshuo. Therefore, Baixing Net and Mr. Wang Jianshuo are deemed to be interested in the Shares directly held by Kijiji by virtue of the SFO.
14. Hangzhou Jingheng Jianyong Venture Capital Partnership (Limited Partnership) (杭州靜衡堅勇創業投資合夥企業(有限合夥)) (formerly known as Hangzhou Jingheng Jianyong Equity Investment Partnership (Limited Partnership) (杭州靜衡堅勇股權投資合夥企業(有限合夥)) ("Jingheng Jianyong") is controlled by its general partner Beijing Jingheng Investment Management Co., Ltd. (北京靜衡投資管理有限公司) ("Beijing Jingheng"), which is in turn owned by Ms. Liu Yongyan (劉勇燕) as to 90%. Mr. Song Lingjie (宋靈潔) is a limited partner of Jingheng Jianyong holding approximate 41.96% (more than one-third) interests therein. Therefore, Beijing Jingheng, Mr. Song Lingjie and Ms. Liu Yongyan are deemed to be interested in the Shares directly held by Jingheng Jianyong by virtue of the SFO.
15. These Shares are directly held by Schroder Investment Management North America Limited as to 2,151,000, Schroder Investment Management Limited as to 1,118,000, Schroder Investment Management (Hong Kong) Limited as to 68,561,000 and Schroder Investment Management (Singapore) as to 7,611,000. Schroder Investment Management North America Limited is direct wholly-owned by Schroder Investment Management Limited, each of Schroder Investment Management Limited, Schroder Investment Management (Hong Kong) Limited and Schroder Investment Management (Singapore) Ltd is direct wholly-owned by Schroder International Holdings Limited, which is indirect wholly-owned by Schroder Administration Limited. Schroder Administration Limited is indirect wholly-owned by Schroders Plc, therefore Schroders Plc is deemed to be interested in these Shares by virtue of the SFO.

Save as disclosed above, as at June 30, 2024, to the knowledge of the Directors, no other persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which are required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or which shall be entered in the register referred to in section 336 of the SFO.

POST-IPO SHARE OPTION SCHEME

The Company has adopted the Post-IPO Share Option Scheme approved by a written resolution passed by the then shareholders on November 17, 2020 and has taken effect from the Listing Date. The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants. For details of the principal terms of the Post-IPO Share Option Scheme, please refer to the Company's 2022 annual report and Appendix IV to the Prospectus.

As of June 30, 2024, the remaining life of the Post-IPO Share Option Scheme is about 6.5 years.

On January 27, 2022 (after trading hours), the Company cancelled a total of 8,808,000 Share Options granted on January 15, 2021 with effect from 27 January 2022. The Company further granted 5,281,600 Share Options under the Post-IPO Share Option Scheme to a total of sixty-eight (68) eligible participants to subscribe for an aggregate of 5,281,600 Shares, and the exercise price per Share Option was HK\$2.462, representing approximately 0.664% of the total issued Shares as of the Latest Practicable Date. For details, please refer to the announcement of the Company dated January 28, 2022.

The Share Options granted shall be valid from January 27, 2022 to January 14, 2031, both days inclusive. The Share Options shall be vested in accordance with the timetable below (for this purpose, the date or each such date on which the Share Options are vested being hereinafter referred to as a "**Vesting Date**"), subject to the grantees' achievement of performance targets as of each Vesting Date:

Vesting Date	Percentage of Share Options to vest
January 27, 2022	Approximately one-third of the total number of Share Options granted
January 14, 2023	Approximately one-third of the total number of Share Options granted
January 14, 2024	Approximately one-third of the total number of Share Options granted

The Remuneration Committee believes that the vesting of Share Options according to the above schedule is more appropriate and in line with the purpose of the post-IPO Share Option Scheme. Because the grantees of the newly granted options are the grantees of the cancelled options, and these grantees have already met the vesting period of the cancelled options, it is fair and reasonable to vest according to the above timetable.

POST-IPO SHARE OPTION SCHEME (Continued)

On September 5, 2022 (after trading hours), the Company decided to grant 2,395,588 Share Options to a total of thirteen (13) eligible participants under the Post-IPO Share Option Scheme, and they can subscribe for a total of 2,395,588 shares, with the exercise price of HK\$2.462 per Share, representing approximately 0.301% of the total issued Shares as of the Latest Practicable Date. For details, please refer to the announcement of the Company dated September 5, 2022.

The option is valid for ten (10) years from the date of grant (i.e. September 5, 2022). The Share Options shall vest according to the following schedule (for this purpose, the vesting date of the Share Options), but the grantee shall achieve the performance target on each vesting date.

Vesting Date	Percentage of Share Options to vest
September 5, 2023	Approximately one-third of the total number of Share Options granted
September 5, 2024	Approximately one-third of the total number of Share Options granted
September 5, 2025	Approximately one-third of the total number of Share Options granted

On July 17, 2023 (after trading hours), the Company decided to grant options to a total of twenty-two (22) eligible participants under the Post-IPO Share Option Scheme, and to subscribe for a total of 63,514,812 shares, with an exercise price of HK\$0.816 per share, accounting for about 7.9827% of the total issued shares as at December 31, 2023. For details, please refer to the announcement of the Company dated July 17, 2023 and the circular of the Company dated July 31, 2023.

The option is valid for ten (10) years from the date of grant (i.e. July 17, 2023). The share options shall vest according to the following schedule (for this purpose, the vesting date of the share options), but the grantee shall achieve the performance target on each vesting date.

Vesting Date	Percentage of Share Options to vest
July 31, 2024	Approximately one-third of the total number of Share Options granted
July 31, 2025	Approximately one-third of the total number of Share Options granted
July 31, 2026	Approximately one-third of the total number of Share Options granted

The Board considers it inappropriate to list the value of Share Options granted under the Post-IPO Share Option Scheme, because the valuation of any Share Option involves many subjective and uncertain assumptions. The Board believes that the valuation of Share Options based on assumptions is meaningless and misleading to Shareholders to some extent.

POST-IPO SHARE OPTION SCHEME (Continued)

Particulars and movements of the Share Options granted to the Directors, chief executives, senior management and other employees of the Group in under the Post-IPO Share Option Scheme during the Reporting Period are as follows.

Name of grantee ⁽¹⁾	Date of grant	Vesting Date ⁽²⁾⁽³⁾⁽⁴⁾	Exercise price per Share (HKD)	Vested in 2022 ⁽¹⁰⁾	Vested in 2023 ⁽¹¹⁾	Number of Shares Subject to outstanding options as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period ⁽¹²⁾	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period ⁽⁵⁾	Number of Shares Subject to outstanding options as at June 30, 2024	The weighted average closing price of the Shares immediately which the Share Options were vested (HKD)
Directors													
Mr. Wang	January 27, 2022	January 27, 2022	2.462	72,841	-	72,841	-	-	-	-	-	72,841	2.692
		January 14, 2023	2.462	-	72,841	72,841	-	-	-	-	-	72,841	1.490
		January 14, 2024	2.462	-	-	72,842	-	72,842	-	-	-	72,842	0.596
Mr. Xu	January 27, 2022	January 27, 2022	2.462	111,045	-	111,045	-	-	-	-	-	111,045	2.692
		January 14, 2023	2.462	-	111,045	111,045	-	-	-	-	-	111,045	1.490
		January 14, 2024	2.462	-	-	111,045	-	111,045	-	-	-	111,045	0.596
Ms. Zha Lijun	January 27, 2022	January 27, 2022	2.462	49,420	-	49,420	-	-	-	-	-	49,420	2.692
		January 14, 2023	2.462	-	49,420	49,420	-	-	-	-	-	49,420	1.490
		January 14, 2024	2.462	-	-	49,421	-	49,421	-	-	-	49,421	0.596
	July 17, 2023	July 31, 2024	0.816	-	-	3,626,604	-	-	-	-	-	3,626,604	0.524
		July 31, 2025	0.816	-	-	3,626,604	-	-	-	-	-	3,626,604	-
		July 31, 2026	0.816	-	-	3,626,606	-	-	-	-	-	3,626,606	-
Mr. Lin Qian	July 17, 2023	July 31, 2024	0.816	-	-	1,688,975	-	-	-	-	-	1,688,975	0.524
		July 31, 2025	0.816	-	-	1,688,975	-	-	-	-	-	1,688,975	-
		July 31, 2026	0.816	-	-	1,688,976	-	-	-	-	-	1,688,976	-
Vice president and company secretary													
Ms. Peng Ting	January 27, 2022	January 27, 2022	2.462	72,841	-	72,841	-	-	-	-	-	72,841	2.692
		January 14, 2023	2.462	-	72,841	72,841	-	-	-	-	-	72,841	1.490
		January 14, 2024	2.462	-	-	72,842	-	72,842	-	-	-	72,842	0.596
	July 17, 2023	July 31, 2024	0.816	-	-	3,181,354	-	-	-	-	-	3,181,354	0.524
		July 31, 2025	0.816	-	-	3,181,354	-	-	-	-	-	3,181,354	-
		July 31, 2026	0.816	-	-	3,181,356	-	-	-	-	-	3,181,356	-

Corporate Governance/Other Information

POST-IPO SHARE OPTION SCHEME (Continued)

Name of grantee ⁽¹⁾	Date of grant	Vesting Date ⁽²⁾⁽³⁾⁽⁴⁾	Exercise price per Share (HKD)	Vested in 2022 ⁽¹⁰⁾	Vested in 2023 ⁽¹¹⁾	Number of Shares Subject to outstanding options as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period ⁽¹²⁾	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period ⁽⁵⁾	Number of Shares Subject to outstanding options as at June 30, 2024	The weighted average closing price of the Shares immediately which the Share Options were vested (HKD)
Ms. Zha Junling	July 17, 2023	July 31, 2024	0.816	-	-	3,503,729	-	-	-	-	-	3,503,729	0.524
		July 31, 2025	0.816	-	-	3,503,729	-	-	-	-	-	3,503,729	-
		July 31, 2026	0.816	-	-	3,503,729	-	-	-	-	-	3,503,729	-
Mr. Xu Songdao	July 17, 2023	July 31, 2024	0.816	-	-	3,298,515	-	-	-	-	-	3,298,515	0.524
		July 31, 2025	0.816	-	-	3,298,515	-	-	-	-	-	3,298,515	-
		July 31, 2026	0.816	-	-	3,298,517	-	-	-	-	-	3,298,517	-
Senior management and other employees	January 27, 2022	January 27, 2022	2.462	1,233,888	-	1,233,888	-	-	-	-	-	1,233,888	2.692
		January 14, 2023	2.462	-	1,233,888	1,233,888	-	-	-	-	-	1,233,888	1.490
		January 14, 2024	2.462	-	-	1,233,886	-	1,233,886	-	-	-	1,233,886	0.596
	September 5, 2022	September 5, 2023	2.462	-	654,278	654,278	-	-	-	-	1,310	652,968	0.680
		September 5, 2024	2.462	-	-	654,278	-	-	-	-	1,310	652,968	0.522
		September 5, 2025	2.462	-	-	654,279	-	-	-	-	1,312	652,967	-
	July 17, 2023	July 31, 2024	0.816	-	-	5,536,306	-	-	-	-	-	5,536,306	0.524
		July 31, 2025	0.816	-	-	5,536,309	-	-	-	-	-	5,536,309	-
		July 31, 2026	0.816	-	-	5,536,310	-	-	-	-	-	5,536,310	-
Total				1,540,035	2,194,313	69,089,404	-	1,540,036	-	-	3,932	69,085,472	

Notes:

- (1) There are no options granted to suppliers of goods or services or other participants.
- (2) The Share Options granted shall be valid from January 27, 2022 to January 14, 2031 (including the first and last two days).
- (3) The validity period of the granted options will be ten (10) years from the date of grant, i.e. September 5, 2022.
- (4) The validity period of the granted options will be ten (10) years from the date of grant, i.e. July 17, 2023.
- (5) The Options were lapsed with nil purchase price as the participants did not pay any price for such lapsed options.

POST-IPO SHARE OPTION SCHEME (Continued)

Notes: (Continued)

- (6) Ms. Zha Lijun and Ms. Peng Ting are also grantees who have been granted more than 1% individual limit. Please refer to the information in the category of "Directors" above.
- (7) The closing price of the Shares immediately (i.e. January 26, 2022) before the date of which the Share Options were granted, i.e. January 27, 2022, was HK\$2.310. The fair value of the Share Options at the date of grant was HK\$2.310 per Share.
- (8) The closing price of the Shares immediately (i.e. September 2, 2022) before the date of which the Share Options were granted, i.e. September 5, 2022, was HK\$1.310. The fair value of the Share Options at the date of grant was HK\$1.310.
- (9) The closing price of the Shares immediately (i.e. July 14, 2023) before the date of which the Share Options were granted, i.e. July 17, 2023, was HK\$0.810. The fair value of the Share Options at the date of grant was HK\$0.810 per Share.
- (10) The number of Share Options vested in 2022 were not exercised during 2022. Such Share Options were not lapsed and the participants may elect to exercise such vested Share Options during the duration period of the scheme as long as they are not lapsed or cancelled in accordance with the scheme rules. Therefore, the number of shares subject to outstanding options remained the same at the beginning and the end of 2022.
- (11) The number of Share Options vested in 2023 were not exercised during 2023. Such Share Options were not lapsed and the participants may elect to exercise such vested Share Options during the duration period of the scheme as long as they are not lapsed or cancelled in accordance with the scheme rules. Therefore, the number of shares subject to outstanding options remained the same at the beginning and the end of 2023.
- (12) The number of Share Options vested in the Reporting Period were not exercised during the Reporting Period. Such Share Options were not lapsed and the participants may elect to exercise such vested Share Options during the duration period of the scheme as long as they are not lapsed or cancelled in accordance with the scheme rules. Therefore the number of shares subject to outstanding options remained the same at the beginning and the end of Reporting Period.

During the Reporting Period, the vesting of the above-mentioned Share Options granted under the Post-IPO Share Option Scheme was not restricted by any performance target of the Group or each eligible participant, which has been reviewed by the Remuneration Committee at the time of grant. Given the purpose of the Grant is to motivate and retain the Grantees by allowing them to share the results achieved by the Group as a result of their efforts and contributions and encourage them to work towards achieving the long-term development of the Group, having considered that: (a) the Grantees' experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; (b) their contributes to the overall business performance, sustainable development and/or good corporate governance of the Group; and (c) that the Share Options will be vested to them in tranches over a period of three years from the date of grant, where the value of the Share Options will be linked to future prices of the Shares which in turn will depend upon the performance of the Company. In view of the above, especially the minimum vesting period, the Remuneration Committee was of the view that the Grant without performance targets is (i) in line with the purpose of the Share Option Scheme; and (ii) fair and reasonable to the Company and Shareholders as a whole.

During the Reporting Period, the vesting of the above-mentioned Share Options granted under the Post-IPO Share Option Scheme were subject to clawback mechanism, that is if a participant ceases to be eligible to participate in the Share Option Scheme, the Board may decide that Share Options that have not yet been exercised (regardless of whether they have been vested or have been granted but not yet vested) shall lapse unless the Board otherwise determines that such Share Options shall be exercisable.

During the Reporting Period, except as disclosed above, the Company did not grant or agree to grant other Share Options under the Post-IPO Share Option Scheme. On January 1, 2024 and June 30, 2024, there was no shares that could be granted under the post-IPO share option scheme. The number of Shares that may be issued in respect of the options granted under the Post-IPO Share Option Scheme during the Reporting Period divided by the weighted average number of Shares in issued during the Reporting Period was 9.25%. As of the date of this Report, the total number of Shares that can be issued under the Post-IPO Share Option Scheme is 69,085,472, accounting for 8.68% of the total number of issued Shares (i.e. 795,658,000 Shares).

From the date of revision of the Post-IPO Share Option Scheme, the existing Post-IPO Share Option Scheme adopted on November 17, 2020 will be replaced entirely by the Amended Post-IPO Share Option Scheme (as defined below). As of the date of this annual report, 69,085,472 share options (accounting for about 8.68% of the shares issued on the date of this annual report) have been granted to participants under the existing Post-IPO Share Option Scheme, while the number of shares to be issued under the existing Post-IPO Share Option Scheme is zero. The share options granted under the existing Post-IPO Share Option Scheme will continue to be valid and exercisable in accordance with the terms and conditions thereunder, and will not be included in the Scheme Mandate Limit (as defined below).

RESTRICTED SHARE UNIT SCHEME

On October 18, 2021 (the “**Adoption Date**”), the Company approved and adopted the RSU Scheme to (i) recognize and reward Participants for their contribution to the Group; (ii) to attract best available personnel to provide service to the Group; and (iii) to provide additional incentives to them to remain with and further promote the success of the Group’s business. Subject to any early termination as may be determined by the Board pursuant to terms of the RSU Scheme, the RSU Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which no further Awards will be granted, but the provisions of the RSU Scheme shall in all other respects remain in full force and effect and the Awards granted during the term of the RSU Scheme may continue to be valid in accordance with their respective terms of grant. The total number of Shares underlying the RSU Scheme (excluding the Shares underlying the restricted share units (the “**RSUs**”) that have lapsed or been cancelled in accordance with the relevant provisions of the RSU Scheme) shall not exceed 80,000,000 Shares, representing 10% of the issued Shares as of the Adoption Date. For details of the principal terms of the RSU Scheme, please refer to the announcement of the Company dated October 18, 2021.

As of June 30, 2024, the remaining life of the RSU Scheme is about 7 years.

As of June 30, 2024, the trustee appointed by the Company for the administration of the RSU Scheme has purchased a total of 30,948,939 Shares in the market, representing approximately 3.89% of the total number of Shares in issue as at the Latest Practicable Date (i.e., 795,658,000 Shares).

On September 5, 2022 (after trading hours), the Company granted a total of 1,868,186 RSUs to one Director and four employees of the Group under the RSU Scheme, accounting for about 0.235% of the total issued Shares as of the Latest Practicable Date. For details, please refer to the announcement of the Company dated September 5, 2022.

The validity of RSUs is ten (10) years after the date of grant. The 1,868,186 RSUs granted to the grantee of RSUs will be vested as follows:

- (i) About one-third of the RSUs will vest on September 5, 2023;
- (ii) About one third of the RSUs will vest on September 5, 2024; and
- (iii) About one third of the RSUs will vest on September 5, 2025.

On December 28, 2023 (after trading hours), the Company granted a total of 40,000,000 RSUs to four Directors and three employees of the Group under the RSU Scheme, accounting for about 5.03% of the total issued Shares as of the Latest Practicable Date. For details, please refer to the announcement of the Company dated December 28, 2023.

The validity of RSUs is ten (10) years after the date of grant. The 40,000,000 RSUs granted to the grantee of RSUs will be vested as follows:

- (i) About one-third of the RSUs will vest on December 28, 2024;
- (ii) About one third of the RSUs will vest on December 28, 2025; and
- (iii) About one third of the RSUs will vest on December 28, 2026.

RESTRICTED SHARE UNIT SCHEME (Continued)

Particulars and movements of the RSUs granted to the Directors, chief executives, senior management and other employees of the Group in under the RSU Scheme during the Reporting Period are as follows:

Name of grantee ⁽¹⁾	Date of grant	Vesting Date ⁽²⁾⁽³⁾	Exercise price per unit (HKD)	Number of Shares subject to RSUs that have not been exercised as at January 1, 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of Shares subject to RSUs that have not been exercised as at June 30, 2024	The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HKD)
Directors										
Mr. Lin Qian	September 5, 2022	September 5, 2023	-	-	-	-	-	-	-	0.680
		September 5, 2024	-	186,667	-	-	-	-	186,667	0.522
		September 5, 2025	-	186,667	-	-	-	-	186,667	-
	December 28, 2023	December 28, 2024	-	216,666	-	-	-	-	216,666	-
		December 28, 2025	-	216,666	-	-	-	-	216,666	-
		December 28, 2026	-	216,668	-	-	-	-	216,668	-
Mr. Xu	December 28, 2023	December 28, 2024	-	2,600,000	-	-	-	-	2,600,000	-
		December 28, 2025	-	2,600,000	-	-	-	-	2,600,000	-
		December 28, 2026	-	2,600,000	-	-	-	-	2,600,000	-
Mr. Wang	December 28, 2023	December 28, 2024	-	2,600,000	-	-	-	-	2,600,000	-
		December 28, 2025	-	2,600,000	-	-	-	-	2,600,000	-
		December 28, 2026	-	2,600,000	-	-	-	-	2,600,000	-
Ms. Zha Lijun	December 28, 2023	December 28, 2024	-	1,116,666	-	-	-	-	1,116,666	-
		December 28, 2025	-	1,116,666	-	-	-	-	1,116,666	-
		December 28, 2026	-	1,116,668	-	-	-	-	1,116,668	-
The grantee whose total number of options and RSUs exceeds 1% individual limit within 12 months										
Ms. Zhou Haisu	December 28, 2023	December 28, 2024	-	2,500,000	-	-	-	-	2,500,000	-
		December 28, 2025	-	2,500,000	-	-	-	-	2,500,000	-
		December 28, 2026	-	2,500,000	-	-	-	-	2,500,000	-

RESTRICTED SHARE UNIT SCHEME (Continued)

Name of grantee ⁽¹⁾	Date of grant	Vesting Date ⁽²⁾⁽³⁾	Exercise price per unit (HKD)	Number of Shares subject to RSUs that have not been exercised as at January 1, 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of Shares subject to RSUs that have not been exercised as at June 30, 2024	The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HKD)
Mr. Xu Songdao	December 28, 2023	December 28, 2024	-	2,500,000	-	-	-	-	2,500,000	-
		December 28, 2025	-	2,500,000	-	-	-	-	2,500,000	-
		December 28, 2026	-	2,500,000	-	-	-	-	2,500,000	-
Ms. Zha Junling	December 28, 2023	December 28, 2024	-	1,800,000	-	-	-	-	1,800,000	-
		December 28, 2025	-	1,800,000	-	-	-	-	1,800,000	-
		December 28, 2026	-	1,800,000	-	-	-	-	1,800,000	-
Other employees	September 5, 2022	September 5, 2023	-	-	-	-	-	-	-	0.680
		September 5, 2024	-	223,395	-	-	-	-	223,395	0.522
		September 5, 2025	-	223,396	-	-	-	-	223,396	-
Total				40,820,125	-	-	-	-	40,820,125	

Notes:

- (1) There are no RSUs granted to suppliers of goods or services or other participants.
- (2) The RSUs granted shall be valid from September 5, 2022 to September 4, 2032 (including the first and last two days).
- (3) The RSUs granted shall be valid from December 28, 2023 to December 27, 2033 (including the first and last two days).
- (4) The closing price of shares immediately (i.e. September 2, 2022) before the grant date of RSUs, i.e. September 5, 2022 was HK\$1.310. The fair value of the RSUs at the date of grant was HK\$1.310.
- (5) The closing price of shares immediately (i.e. December 27, 2023) before the grant date of RSUs, i.e. December 28, 2023 was HK\$0.540. The fair value of the RSUs at the date of grant was HK\$0.540.

The vesting of RSUs granted to the grantee of RSUs is not restricted by any performance target of the Group or the grantee of RSUs, which has been reviewed by the Remuneration Committee at the time of grant. Given the purpose of the grant of RSU is to motivate and retain the grantees by allowing them to share the results achieved by the Group as a result of their efforts and contributions and encourage them to work towards achieving the long-term development of the Group, having considered that: (a) the grantees' experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; (b) their contributes to the overall business performance, sustainable development and/or good corporate governance of the Group; and (c) that the RSUs will be vested to them in tranches over a period of three years from the date of grant, where the value of the RSUs will be linked to future prices of the Shares which in turn will depend upon the performance of the Company. In view of the above, especially the minimum vesting period, the Remuneration Committee was of the view that the grant without performance targets is (i) in line with the purpose of the RSU Scheme; and (ii) fair and reasonable to the Company and Shareholders as a whole.

RESTRICTED SHARE UNIT SCHEME (Continued)

During the Reporting Period, the vesting of the above-mentioned RSUs granted under the RSU Scheme were subject to clawback mechanism, that is if a participant ceases to be eligible to participate in the RSU Scheme, the Board may decide that RSUs that have not yet been exercised (regardless of whether they have been vested or have been granted but not yet vested) shall lapse unless the Board otherwise determines that such RSUs shall be exercisable.

During the Reporting Period, except as disclosed above, as of the date of this report, the Company did not grant or agree to grant, vest, transfer, expire or cancel any RSUs according to the RSU Scheme.

AMENDED POST-IPO SHARE OPTION SCHEME

The Amended Post-IPO Share Option Scheme (the “**Amended Post-IPO Share Option Scheme**”) was adopted and approved by the EGM of Shareholders on December 22, 2023 (the “**Adoption Date**”). For details, please refer to the company’s circular on December 5, 2023 and announcement on December 22, 2023 and 2023 annual report on April 25, 2024.

As of June 30, 2024, the remaining life of the Amended Post-IPO Share Option Scheme is about 9.5 years.

As of June 30, 2024, there were no share options granted under the Amended Post-IPO Share Option Scheme. As of the date of this report, the Company did not grant or agree to grant, vest, transfer, expire or cancel any share options according to the Amended Post-IPO Share Option Scheme. As of the date of this report, the total number of shares that can be issued under the Amended Post-IPO Share Option Scheme and Share Award Scheme (as defined below) is 79,565,800, accounting for about 10% of the total number of issued shares (i.e. 795,658,000 shares).

SHARE AWARD SCHEME

The Share Award Scheme (the “**Share Award Scheme**”) was adopted and approved by the EGM of Shareholders on December 22, 2023 (the “**Adoption Date**”). For details, please refer to the company’s circular on December 5, 2023 and announcement on December 22, 2023 and 2023 annual report on April 25, 2024.

As of June 30, 2024, the remaining life of the Share Award Scheme is about 9.5 years.

As of June 30, 2024, there were no share award granted under the Share Award Scheme. As of the date of this report, the Company did not grant or agree to grant, vest, transfer, expire or cancel any share award according to the Share Award Scheme. As of the date of this report, the total number of shares that can be issued under the Share Award Scheme and the Amended Post-IPO Share Option Scheme is 79,565,800, accounting for about 10% of the total number of issued shares (i.e. 795,658,000 shares).

By order of the Board

Netjoy Holdings Limited

XU Jiaqing

Chairman of the Board

Shanghai, China, August 19, 2024

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2024

	Notes	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
REVENUE	4	1,558,949	1,620,746
Cost of sales		(1,429,063)	(1,498,990)
Gross profit		129,886	121,756
Other income and gains	4	1,481	18,482
Selling and distribution expenses		(45,018)	(32,620)
Administrative expenses		(42,641)	(39,482)
Impairment losses on financial assets, net	15	(281)	(13,899)
Research and development expenses		(3,310)	(5,469)
Other expenses		(596)	(1,767)
Finance costs	6	(10,428)	(10,428)
Share of profits of:			
Associates	14	74	178
PROFIT BEFORE TAX	5	29,167	36,751
Income tax expense	9	(5,317)	(5,287)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		23,850	31,464
Profit and total comprehensive income attributable to:			
Owners of the parent		23,919	33,504
Profit or loss of minority shareholders		(69)	(2,040)
PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period	11	RMB3.1 cents	RMB4.3 cents

Unaudited Condensed Consolidated Statement of Financial Position

As at June 30, 2024

	Notes	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,836	5,068
Right-of-use assets		1,465	3,883
Intangible assets	13	24,411	25,059
Trade receivables	15	6,463	11,246
Prepayments, other receivables and other assets	16	18,051	18,051
Deferred tax assets	22	63,729	64,012
Investments in associates	14	34,681	34,422
Financial assets at fair value through profit or loss		49,801	56,596
Debt investments at amortised cost		17,109	19,326
Total non-current assets		219,546	237,663
CURRENT ASSETS			
Inventories		11,231	9,169
Trade receivables	15	1,531,941	1,539,560
Prepayments, other receivables and other assets	16	576,397	450,187
Financial assets at fair value through profit or loss		13,484	17,634
Debt investments at amortised cost		30,321	28,632
Restricted cash	18	60,842	2,699
Cash and cash equivalents	18	404,331	360,906
Total current assets		2,628,547	2,408,787
CURRENT LIABILITIES			
Trade payables	19	655,586	622,429
Other payables and accruals	20	146,436	139,937
Interest-bearing bank borrowing	21	451,454	414,937
Lease liabilities		1,374	3,486
Contract liabilities	17	136,274	50,360
Tax payable		13,073	19,883
Other liabilities		3,242	1,098
Total current liabilities		1,407,439	1,252,130
NET CURRENT ASSETS		1,221,108	1,156,657
TOTAL ASSETS LESS CURRENT LIABILITIES		1,440,654	1,394,320

Unaudited Condensed Consolidated Statement of Financial Position

As at June 30, 2024

	<i>Notes</i>	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		–	35
Deferred tax liabilities		636	707
Deferred income		493	537
Other liabilities		7,329	7,865
Total non-current liabilities		8,458	9,144
NET ASSETS			
EQUITY			
Equity attributable to owners of the parent			
Share capital	23	148	148
Treasury shares		(46,712)	(46,638)
Reserves	24	1,478,880	1,432,994
Total equity attributable to owners of parent company		1,432,316	1,386,504
Minority shareholders' equity		(120)	(1,328)
TOTAL EQUITY		1,432,196	1,385,176

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the parent									
	Share capital RMB'000	Treasury shares RMB'000	Share option reserve* RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Minority shareholders' equity RMB'000	Total equity RMB'000
At January 1, 2023	148	(40,526)	16,273	1,229,544	46,459	(400)	119,448	1,370,946	(17)	1,370,929
Profit and total comprehensive income for the period	-	-	-	-	-	-	33,504	33,504	(2,040)	31,464
Shares repurchased	-	(408)	-	-	-	-	-	(408)	-	(408)
Equity-settled share option arrangements	-	-	2,175	-	-	-	-	2,175	-	2,175
Acquisition of subsidiaries	-	-	-	(2,601)	-	-	-	(2,601)	-	(2,601)
Transfer from retained profits	-	-	-	-	1,801	-	(1,801)	-	-	-
At June 30, 2023	148	(40,934)	18,448	1,226,943	48,260	(400)	151,151	1,403,616	(2,057)	1,401,559
At January 1, 2024	148	(46,638)	29,299	1,229,392	46,459	(400)	128,244	1,386,504	(1,328)	1,385,176
Profit and total comprehensive income for the period	-	-	-	-	-	-	23,919	23,919	(69)	23,850
Shares repurchased	-	(74)	-	-	-	-	-	(74)	-	(74)
Equity-settled share option arrangements	-	-	13,718	-	-	-	-	13,718	-	13,718
Acquisition of subsidiaries	-	-	-	15,278	-	-	(7,029)	8,249	1,277	9,526
Transfer from retained profits	-	-	-	-	1,320	-	(1,320)	-	-	-
At June 30, 2024	148	(46,712)	43,017	1,244,670	47,779	(400)	143,814	1,432,316	(120)	1,432,196

* These reserve accounts comprise the consolidated reserves of RMB1,478,880,000 (2023: RMB1,432,994,000) in the consolidated statement of financial position.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Notes	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		23,850	31,464
Adjustments for:			
Share of (profits)/losses of associates	14	(74)	(178)
Interest income	4	(376)	(1,058)
Finance costs	6	10,428	10,428
Impairment losses on financial assets, net	15	281	13,899
Depreciation of property, plant and equipment	12	1,327	1,760
Depreciation of right-of-use assets		2,686	2,743
Amortisation of intangible assets	13	4,831	4,232
Loss on disposal of items of non-current assets		–	5
Investment income/(loss) of financial assets at fair value through profit or loss		462	(3,043)
Effect of foreign exchange rate changes, net		52	1,752
Share-based payment expenses		13,718	2,175
		57,185	64,179
(Increase)/decrease in inventories		(2,062)	50,308
Increase)/decrease in trade receivables		12,122	(42,942)
Increase in prepayments, other receivables and other assets		(125,926)	(133,369)
Decrease in restricted cash		–	10,949
Increase in trade payables		33,157	297,780
Increase in other payables and accruals		3,892	75,835
Increase/(decrease) in contract liabilities		85,914	119
Cash (used in)/generated from operations		64,282	322,859
Interest received	4	376	1,058
Interest paid		(9,977)	(10,355)
Income tax paid		(46)	(164)
Net cash generated from operating activities		54,635	313,398

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Notes	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	12	(132)	(2,165)
Cash received from investment income		16,650	5,123
Additions to intangible assets		(4,182)	(4,528)
Additions to financial assets at fair value through profit or loss		(4,208)	(44,145)
Investments in associates		–	(30,000)
Net cash flows generated from / (used in) investing activities		8,128	(75,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		235,275	441,198
Repayment of bank loans		(181,837)	(417,464)
Increase in restricted cash		(58,143)	–
Principal portion of lease payments		(2,432)	(2,753)
Capital injection from non-controlling shareholders		(74)	(408)
Interest paid		(12,075)	(10,077)
Net cash flows generated from / (used in) financing activities		(19,286)	10,496
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		43,477	248,179
Cash and cash equivalents at the beginning of period		360,906	279,690
Effect of foreign exchange rate changes, net		(52)	(1,752)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		404,331	526,117
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	18	404,331	526,117

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on March 29, 2019. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Group was principally involved in the business of providing intelligent marketing solutions in the People's Republic of China (the "PRC").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
MIX Technology Co., Ltd. (" Heguang Technology ") (合光(寧波)科技有限公司) (note (a))	PRC/ Mainland China	USD10,000,000	–	100	Marketing services
Yunxiang Shuke (Xi'an) Information Technology Co., Ltd. (" Yunxiang Shuke Xi'an ") (云想數科(西安)信息技術有限公司) (note (a))	PRC/ Mainland China	USD10,000,000	–	100	Consulting
NETJOY ASIA PTE.LTD.	Singapore	SGD1,000,000	–	100	Advertisement related activity
Netjoy International Limited	British Virgin Islands	USD50,000	100	–	Investment holding
Yunxiang Shuke (Shanghai) Information Technology Co., Ltd. (" Yunxiang Information ") (云想數科(上海)信息技術有限公司) (note (a))	PRC/ Mainland China	RMB50,000,000	–	100	Technical and consultation services
Letui (Shanghai) Culture Broadcast Co., Ltd. (" Letui Culture ") (樂推(上海)文化傳播有限公司) (note (b))	PRC/ Mainland China	RMB10,000,000	–	100	Marketing services
Hainan Yunjing Xingzhan Private Equity Fund Management Co., Ltd. (" Hainan Yunjing ") (海南云景星展私募基金管理有限公司) (note (b))	PRC/ Mainland China	RMB10,000,000	–	100	Capital market

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Yunxiang Entertainment (Shanghai) Co., Ltd. ("Yunxiang Entertainment") (云想娛樂(上海)有限公司) (note (b))	PRC/ Mainland China	RMB5,000,000	–	100	Technical and consultation services
Letui Chuanshi (Shanghai) Information Technology Co., Ltd. ("Letui Information") (樂推傳視(上海)信息技術有限公司) (note (b))	PRC/ Mainland China	RMB5,000,000	–	100	Technical and consultation services
Shanghai Yunxiang E-commerce Co., Ltd. ("Yunxiang E-commerce") (上海云想電子商務有限公司) (note (b))	PRC/ Mainland China	RMB5,000,000	–	100	Marketing services
Letui Zhixiao (Lishui) Culture Communication Co., Ltd. ("Letui Zhixiao Lishui") (樂推智效(麗水)文化傳播有限公司) (note (b))	PRC/ Mainland China	RMB2,000,000	–	100	Marketing services
Horgos Quantum Dynamic Culture Media Co., Ltd. ("Quantum Culture") (霍爾果斯量子動態文化傳媒有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Marketing services
Guangzhou Guomeng Network Technology Co., Ltd. ("Guomeng Network") (廣州果盟網絡科技有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Technical and consultation services
Qizheng (Shanghai) Culture Communication Co., Ltd. ("Qizheng Culture") (啟征(上海)文化傳播有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Technical and consultation services
Horgos Large Amount Information Technology Co., Ltd. ("Large Amount Information") (霍爾果斯爆量信息技術有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Marketing services
Horgos Quantum Data Services Co., Ltd. ("Quantum Data") (霍爾果斯量子數據服務有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Marketing services

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Shanghai Leman Yunxiang E-commerce Co., Ltd. ("Leman Yunxiang") (上海樂曼云享電子商務有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	E-commerce
Letui Chuanpin (Jingxian) E-commerce Co., Ltd. ("Letui Chuanpin") (樂推傳品(涇縣)電子商務有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	E-commerce
Hepinsheng (Shanghai) Enterprise Management Co., Ltd ("Hepinsheng") (合品盛(上海)企業管理有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Consulting
Shangxiang Leyun (Shanghai) E-commerce Co., Ltd ("Shangxiang Leyun") (尚想樂云(上海)電子商務有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	E-commerce
Shangxiang Lehai (Shanghai) E-commerce Co., Ltd ("Shangxiang Lehai") (尚想樂海(上海)電子商務有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	E-commerce
Shangxiang Lebao Yunxiang Business Consulting Co., Ltd ("Lebao Yunxiang") (上海樂保云享商務諮詢有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Consulting
Netjoy International (Hong Kong) Limited	Hong Kong, China	HKD1	–	100	Technical and consultation services
Yunwei Chuangshi (Shanghai) Information Technology Co., Ltd. ("Yunwei Chuangshi") (云未創視(上海)信息技術有限公司) (note (b))	PRC/ Mainland China	RMB1,250,000	–	60	Software-as-a-service ("SaaS")
Shanghai Tetui Culture Media Co., Ltd. ("Tetui Culture") (上海特推文化傳媒有限公司) (note (b))	PRC/ Mainland China	RMB2,040,816	–	51	Advertisement related activity

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Indirectly controlled by the Company pursuant to the contractual agreements					
Netjoy (Shanghai) Network Technology Co., Ltd. ("Netjoy Network") (note (b))	PRC/ Mainland China	RMB53,528,203	–	100	Entertainment-oriented content platform operation
Tradeplus (Shanghai) Information Technology Co., Ltd. ("Tradeplus") (連山加(上海)信息技術有限公司) (note (b))	PRC/ Mainland China	RMB5,000,000	–	100	SaaS
Wuhan Juhaokan Network Technology Co., Ltd. ("Wuhan Juhaokan") (武漢劇好看網絡科技有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Planning and production of short drama
Shanxi Drama Gravity Culture Communication Co., Ltd. ("Shanxi Drama") (陝西劇有引力文化傳播有限公司) (note (b))	PRC/ Mainland China	RMB1,000,000	–	100	Digital Culture

Notes:

- (a) The entity is registered as a wholly-foreign-owned enterprise under the PRC law.
- (b) The entity is registered as a limited liability company under the PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Netjoy Network and Tradeplus provide value added telecommunications services and radio and TV program production and operation services to customers. Due to regulatory restrictions on foreign ownership in providing value added telecommunications services and prohibition on foreign ownership in providing radio and TV program production and operation services in the PRC, the wholly-owned subsidiary of the Company, Yunxiang Information has entered into contractual arrangements (the “**Contractual Arrangements**”) with Netjoy Network and Tradeplus and their respective registered shareholders. The arrangements of the Contractual Arrangements enable Yunxiang Information to effectively control, recognise and receive substantially all the economic benefit of the business and operations of Netjoy Network and Tradeplus.

In summary, the Contractual Arrangements enable our Group to, among others:

- receive substantially all of the economic benefits from Netjoy Network and Tradeplus Video in consideration for the services provided by Yunxiang Information to Netjoy Network and Tradeplus;
- exercise effective control over Netjoy Network and Tradeplus; and
- hold an exclusive option to acquire all or part of the equity interests in and/or the assets of Netjoy Network and Tradeplus when and to the extent permitted by the PRC laws and regulations.

Accordingly, Netjoy Network and Tradeplus are controlled by the Company based on the Contractual Arrangements though the Company does not have any direct or indirect equity interest in Netjoy Network and Tradeplus.

2.1 BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the condensed consolidated financial statements of the Group for the six months ended June 30, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

For the six months ended June 30, 2024

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The condensed consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's unaudited condensed consolidated financial statements.

IFRS 16	Lease: Lease liabilities recovered after sale
Amendments to IAS 1	<i>Presentation of financial statements: current and non-current division of liabilities</i>
Amendments to IAS 1	<i>Presentation of financial statements: non-current current liabilities with contracts</i>
Amendments to IAS 7 and Amendments to IFRS 7	<i>Supplier financing arrangement</i>

These amendments did not have any significant impact on the unaudited consolidated financial statements of the Group.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in providing intelligent marketing solutions, e-commerce service solutions and other business such as innovative business in Mainland China.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the six months ended June 30, 2024, the Group operated within one geographical area because all of its revenue was generated in Mainland China and all of its non-current assets/capital expenditure were located/incurred in Mainland China. Accordingly, no geographical information is presented.

The non-current asset information above is based on the locations of the assets and excludes financial instruments, prepayments and deferred tax assets.

Information about one major customer

Revenue of approximately RMB97,543,078 for the six months ended June 30, 2024 (six months ended June 30, 2023: RMB162,693,221) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers	1,558,949	1,620,746

Revenue from contracts with customers

(i) Disaggregated revenue information

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Types of services		
Intelligent marketing solutions		
– All-in-one services	1,429,517	1,520,690
– Advertisement distribution services	32,022	27,986
E-commerce service solutions	41,639	32,855
Innovative business	55,771	39,215
Total revenue from contracts with customers	1,558,949	1,620,746
Timing of revenue recognition		
Marketing services transferred at a point in time	1,538,660	1,612,452
Marketing services transferred over time	20,289	8,294
Total revenue from contracts with customers	1,558,949	1,620,746

The following table shows the amounts of revenue recognised in the current accounting period that were included in the contract liabilities at the beginning of the Reporting Period:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the Reporting Period:	50,360	36,535

There is no revenue recognised in the current accounting period from performance obligations satisfied in previous periods for the six months ended June 30, 2023 and June 30, 2024, respectively.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Intelligent marketing solutions services

All-in-one services

The Group provides one-stop online marketing solutions, including traffic acquisition from top online publishers, content production, raw data analysis and advertisement campaign optimisation, to advertisers. The Group charges the advertisers mainly based on optimised Cost Per Mille ("oCPM") or optimised Cost Per Click ("oCPC"). In some circumstances, the Group offers rebates to the advertisers as part of its promotion activities. Online publishers grant to the Group rebates in the form of payments for the media publishers' services or cash mainly based on the gross spend of the advertisers.

While none of the factors individually are considered presumptive or determinative, in this arrangement the Group is the primary obligor and is responsible for (i) identifying and contracting with third-party advertisers which the Group views as customers, the Group is primarily responsible for delivering the specified service to the advertisers; (ii) identifying online publishers to provide online spaces where the Group views the online publishers as suppliers; and (iii) bearing the sole responsibility for advertising content integrated and fulfilment of the advertising, the Group acts as the principal of these arrangements and therefore recognises revenue earned and costs incurred related to these transactions on a gross basis. Under this arrangement, the rebates earned from the media publishers are recorded as a reduction of cost of sales.

The performance obligation is satisfied on a user's optimised click (oCPC) on one of the customer sponsored links or on optimised the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM).

Advertisement distribution services

The advertisers provide their own produced distribution contents and formulate their own advertisement campaign. The Group only provides distribution services to advertisers by publishing the contents on the targeted social media platforms which are determined by advertisers. The Group charges the advertisers mainly based on an oCPM or oCPC or CPC.

The Group is not the principal in this arrangement as it does not control the specified service before that service is transferred to the advertiser, because (i) the Group does not provide integrated service. Online publisher, rather than the Group, is primarily responsible for providing the media publishing service; and (ii) the online publisher is identified and determined by the advertisers, not the Group. Therefore, the Group is not the principal in executing these transactions. The Group reports the amount received from the advertisers and the amounts paid to the media publishers related to these transactions on a net basis.

Rebates offered to the advertisers under both business models above are recognised as a deduction of revenue at the time the incentives are granted.

For the six months ended June 30, 2024

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Advertisement distribution services (Continued)

The performance obligation is satisfied on a user's optimised click (oCPC) on one of the customer sponsored links or on optimised the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM).

E-commerce service solutions

E-commerce service solutions revenues are mainly from the sales of products through the e-commerce platforms and distribution channels and live streaming business.

Revenues from sales of products through the e-commerce platforms and distribution channels are recognised when control of promised goods is transferred to the customers, which generally occurs upon the acceptance of the goods by the customers.

For the live streaming business, the Group utilises live streamers to promote and sell goods on platforms and charges commissions to customers based on the live broadcast duration and sales of goods completed through platforms with agreed commission rates, respectively. Live streaming business performance obligation is satisfied at a point in time when the live broadcast duration and sale transaction of goods is completed.

Innovative business

Innovative business revenues primarily include revenues from the short drama business.

For the short drama business, the Group operates and maintains mini programs whereby users can enjoy short drama provided by the Group. The Group sells membership services and virtual currencies to users. For membership services, the Group offers membership services which provide users access to all short drama in the mini programs. When the receipt of membership fees is for services to be delivered over a period of time, generally from one month to twelve months, the receipt is initially recorded as "contract liabilities" and revenue is recognised ratably over the membership period as services are rendered. For virtual currencies, once the users purchase virtual currencies, the proceeds are recorded in contract liabilities and recognised in revenue after the virtual currencies are used to watch short drama.

The transaction prices allocated to the remaining performance obligations unsatisfied as at June 30, 2024 are RMB50,360,000 (June 30, 2023: RMB36,654,000).

All the remaining performance obligations unsatisfied as at June 30, 2024 are expected to be recognised within one year as the performance obligations are part of the contracts that have an original expected duration of one year or less.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Innovative business (Continued)

An analysis of other income and gains is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income and gains		
Bank interest income	376	1,058
Government grants	1,038	14,326
Others	67	3,098
Other expenses		
Foreign exchange loss, net	52	1,752
Fair value losses on financial investments, net	462	–
Others	82	15

5. PROFIT BEFORE TAX

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

	Notes	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Cost of services provided		1,429,063	1,498,990
Depreciation of property, plant and equipment	12	1,327	1,760
Depreciation of right-of-use assets		2,686	2,743
Amortisation of intangible assets		6	59
Research and development costs (excluding amortisation of intangible assets, depreciation of property, plant and equipment and employee benefit expense)		1,214	419
Lease payments not included in the measurement of lease liabilities		398	289
Government grants	4	(1,038)	(14,326)
Employee benefit expense (excluding directors' and chief executive's remuneration (note 7)):			
Wages and salaries		20,273	21,345
Pension scheme contributions		3,194	3,022
Impairment losses on trade receivables	15	281	13,899
Bank interest income	4	(376)	(1,058)
Interest on lease liabilities	6	46	164
Interest on interest-bearing bank borrowings	6	10,382	10,264
Foreign exchange differences, net		52	1,752

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on interest-bearing bank and other borrowings	10,382	10,264
Interest on lease liabilities	46	164
	10,428	10,428

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executives' remuneration for the period, disclosed pursuant to the Listing Rules, sections 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other emoluments:		
Salaries, allowances and benefits in kind	1,570	1,549
Equity-settled share option expense	4,977	387
Pension scheme contributions	140	132
	6,687	2,068

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the period were as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Mr. Chen Changhua	100	100
Dr. Ru Liyun	75	75
Ms. Cui Wen	75	75
	250	250

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors and non-executive directors

	Salaries, allowances and benefits in kind RMB'000 (unaudited)	Equity-settled share option expense RMB'000 (unaudited)	Pension scheme Contributions RMB'000 (unaudited)	Total Remuneration RMB'000 (unaudited)
Six months ended June 30, 2024				
Executive Directors:				
Mr. Wang Chen	336	1,186	35	1,557
Mr. Xu Jiaqing	336	1,186	35	1,557
Mr. Lin Qian	379	852	35	1,266
Ms. Zha Lijun	269	1,753	35	2,057
	1,320	4,977	140	6,437
Non-executive Directors:				
Mr. Dai Liqun	-	-	-	-
Mr. Wang Jianshuo	-	-	-	-
	1,320	4,977	140	6,437
Six months ended June 30, 2023				
Executive Directors:				
Mr. Wang Chen	332	68	33	433
Mr. Xu Jiaqing	332	104	33	469
Mr. Lin Qian	381	197	33	611
Ms. Zha Lijun	254	18	33	305
	1,299	387	132	1,818
Non-executive Directors:				
Mr. Dai Liqun	-	-	-	-
Mr. Wang Jianshuo	-	-	-	-
	1,299	387	132	1,818

No bonuses and directors' fees have been paid to the Company's executive directors and non-executive directors for the six months ended June 30, 2023 and the six months ended June 30, 2024. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the period.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the period included three directors (June 30, 2023: three), details of whose remuneration are set out in note 7 above. Details of the remuneration for the period of the remaining two (June 30, 2023: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, allowances and benefits in kind	386	721
Equity-settled share option expense	4,294	73
Pension scheme contributions	67	59
	4,747	853

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Six months ended June 30,	
	Number of employees	
	2024	2023
Nil to HKD1,000,000	2	2

No bonuses have been paid to the Company's five highest paid employees for the six months ended June 30, 2023 and the six months ended June 30, 2024.

9. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate:

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the BVI, Netjoy Holdings Limited is not subject to tax on income or capital gains. In addition, upon payments of dividends by Netjoy Holdings Limited to its shareholder, no BVI withholding tax is imposed.

Hong Kong

Hong Kong income tax is provided at the rate of 16.5% (2023: 16.5%) on the estimated taxable income of the Group's companies operating in Hong Kong during the period.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

9. INCOME TAX (Continued)

Mainland China

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Mainland China are subject to Enterprise Income Tax (“EIT”) at a rate of 25% on the taxable income. Certain subsidiaries of the Group in the PRC were approved as High and New Technology Enterprise, and are subject to a preferential income tax rate of 15% in certain years.

According to Several Opinions of the State Council on Supporting the Construction of Kashgar and Horgos Economic Development Zones (國務院關於支持喀什霍爾果斯經濟開發區建設的若干意見) promulgated on 30 September 2011, and Notice of the Preferential Policies of Enterprise Income Tax in the Two Special Economic Development Zones of Kashgar and Horgos in Xinjiang (財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知) promulgated by the Ministry of Finance of the PRC (中國財政部) and the State Administration of Taxation of the PRC (中國國家稅務總局) on 29 November 2011, from 2010 to 2020, the newly established enterprises in Kashgar and Horgos within the Catalog of Encouraged Industries in Poverty Areas of Xinjiang for Preferential Tax Treatment (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) granted the preferential tax treatment of five-year EIT exemption beginning from the first taxable year after the becoming profitable. Upon the expires of the tax exemption period, the local share of EIT would be exempted for another five years, and a subsidy would be granted by the Finance Bureau of the Development Zone in the form of rewards. Quantum Culture Media was entitled to the PRC tax bureau for EIT exemption from 1 January 2017 to 31 December 2021 and the exemption of EIT charged by local tax bureau according to Preferential Filing Record of EIT (企業所得稅優惠事項備案表) from 1 January 2022 to 31 December 2026 and obtained the related approval from the PRC tax bureau, which takes account for 40% of the total EIT.

According to the Implementation Opinions on Accelerating the Construction of Kashgar and Horgos Economic Development Zones (關於加快喀什、霍爾果斯經濟開發區建設的實施意見), from January 1, 2010 to December 31, 2020, enterprises newly established in the development zone that fall within the scope of the Catalogue of Enterprise Income Tax Preferences for Industries Encouraged to Develop in Difficult Areas of Xinjiang (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) will be exempted from enterprise income tax for five years from the tax year in which the first production and operation income is obtained. After the tax exemption period expires, the local share of EIT will be exempted for another five years, and the subsidy will be granted by the Finance Bureau of the Development Zone in the form of rewards. According to Preferential Filing Record of EIT (企業所得稅優惠事項備案表), thereinto, Quantum Data, the third-tier subsidiary of the Company, obtained the approval from the PRC tax bureau for entitlement of EIT exemption from 1 January 2022 to 31 December 2026.

Pursuant to the Notice on Enterprise Income Tax Policies for the Integrated Circuit Design and Software Industries (關於集成電路設計和軟件產業企業所得稅政策的公告) issued by the Ministry of Finance of the PRC and the State Administration of Taxation of the PRC and with approval from the tax authorities in charge, one of the Group’s subsidiaries, Tradeplus, is entitled to an exemption from CIT for two years, commencing from 2024, the first year that Tradeplus generates taxable profit, and a deduction of 50% on the CIT rate for the following three years.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

9. INCOME TAX (Continued)

Mainland China (Continued)

The income tax expense of the Group for the relevant periods is analysed as follows:

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Current income tax:		
Mainland China	5,034	9,036
Hong Kong	–	2
Deferred income tax	283	(3,751)
	5,317	5,287

A reconciliation of the tax expense applicable to profit before tax at the statutory rate of 25% for Mainland China in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

	Six months ended June 30,			
	2024 RMB'000 (unaudited)	%	2023 RMB'000 (unaudited)	%
Profit/(loss) before tax	29,167		36,751	
Tax at the statutory tax rate	7,292	25	9,187	25
The influence of different tax rates in specific provinces and countries or different tax rates promulgated by local authorities	(7,959)	(27)	(7,779)	(21)
(Profit)/loss attributable to associated companies	(19)	–	–	–
Additional deduction of R&D expenditure	(317)	(1)	(491)	(1)
Tax losses utilised from previous periods	–	–	(598)	(2)
Tax losses and temporary differences not recognised	5,540	19	4,910	13
Expenses not deductible for tax	780	2	58	–
Tax charge expense/(credit) at the effective rate	5,317	18	5,287	14

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

10. DIVIDENDS

No dividends had been declared for the six months ended June 30, 2024.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 746,725,100 (June 30, 2023: 775,149,260) in issue during the period, as adjusted to reflect the rights issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended June 30, 2023 and 2024 in respect of a dilution as the Group had no potentially ordinary dilutive ordinary shares in issue during the six months ended June 30, 2023 and 2024.

The calculations of basic and diluted earnings per share are based on:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent	23,919	33,504

	Number of shares	
	Six months ended June 30,	
	2024	2023
	(unaudited)	(unaudited)
Shares		
Weighted average number of ordinary shares in issue used in the basic and diluted earnings per share calculation	746,725,100	775,149,260

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures RMB'000	Office equipment RMB'000	improvements Leasehold RMB'000	Total RMB'000
(unaudited)				
June 30, 2024				
At January 1, 2024:				
Cost	449	8,482	6,149	15,080
Accumulated depreciation	(119)	(6,274)	(3,619)	(10,012)
Net carrying amount	330	2,208	2,530	5,068
At January 1, 2024, net of accumulated depreciation	330	2,208	2,530	5,068
Additions	–	107	24	132
Disposals	(4)	(33)	–	(37)
Depreciation provided during the period	(25)	(731)	(571)	(1,327)
At June 30, 2024, net of accumulated depreciation	301	1,549	1,984	3,836
At June 30, 2024:				
Cost	426	7,773	6,173	14,373
Accumulated depreciation	(125)	(6,224)	(4,189)	(10,537)
Net carrying amount	301	1,549	1,984	3,836
(audited)				
December 31, 2023				
At January 1, 2023:				
Cost	356	7,847	5,322	13,525
Accumulated depreciation	(92)	(4,482)	(4,021)	(8,595)
Net carrying amount	264	3,365	1,301	4,930
At January 1, 2023, net of accumulated depreciation	264	3,365	1,301	4,930
Additions	122	816	2,693	3,631
Disposals	(2)	(83)	–	(85)
Depreciation provided during the year	(54)	(1,890)	(1,464)	(3,408)
At December 31, 2023, net of accumulated depreciation	330	2,208	2,530	5,068
At December 31, 2023:				
Cost	449	8,482	6,149	15,080
Accumulated depreciation	(119)	(6,274)	(3,619)	(10,012)
Net carrying amount	330	2,208	2,530	5,068

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

13. INTANGIBLE ASSETS

	Use right of a website RMB'000	Software RMB'000	Total RMB'000
(unaudited)			
June 30, 2024			
Cost at January 1, 2024, net of accumulated amortisation	1,386	23,673	25,059
Additions	–	4,182	4,182
Amortisation provided during the period	(238)	(4,592)	(4,830)
At June 30, 2024	1,148	23,263	24,411
At June 30, 2024:			
Cost	2,405	43,155	45,560
Accumulated amortisation	(1,257)	(19,892)	(21,149)
Net carrying amount	1,148	23,263	24,411
(audited)			
December 31, 2023			
Cost at January 1, 2023, net of accumulated amortisation	2,595	29,115	31,710
Additions	–	9,496	9,496
Amortisation provided during the year	(583)	(9,022)	(9,605)
Impairment during the year	(626)	(5,916)	(6,542)
At December 31, 2023	1,386	23,673	25,059
At December 31, 2023 and at January 1, 2024:			
Cost	3,480	48,227	51,707
Accumulated amortisation	(2,094)	(24,554)	(26,648)
Net carrying amount	1,386	23,673	25,059

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

14. INVESTMENTS IN ASSOCIATES

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Share of net assets	34,681	34,572

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Share of the associates' profit/(loss) for the period	74	178
Share of the associates' total comprehensive income/(loss)	74	178
Aggregate carrying amount of the Group's investments in the associates	34,681	34,572

Particulars of the Group's associates are as follows:

Name	Particulars of issued shares held	Place of registration	Percentage of equity attributable to the Group	Principal activities
Shanghai Buwei Information Technology Co., Ltd. (" Buwei ") (上海不維信息技術有限公司)	Ordinary shares	Shanghai	20%	Marketing services
Tianjin Yunlin Culture Broadcast Co., Ltd. (" Yunlin ") (韻林(天津)文化傳媒有限公司)	Ordinary shares	Tianjin	30%	Radio and TV programs production and operation services
Youshi Integration (Beijing) Public Relations Consulting Co., Ltd. (" Youshi ") (優視整合(北京)公關顧問有限公司)	Ordinary shares	Beijing	5%	Brand PR and brand event planning services
Shanju (Shanghai) Culture Broadcast Co., Ltd. (" Shanju Culture ") (閃劇(上海)文化傳媒有限公司)	Ordinary shares	Shanghai	30%	Radio and TV programs production and operation services
Shenzhen Jiusong Kunxin Investment Center (Limited Partnership) (" Jiusong ") (深圳九頌坤信投資中心(有限合夥))	Limited partnership interest	Shenzhen	34.05%	Investment management of science and technology business incubator

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

14. INVESTMENTS IN ASSOCIATES (Continued)

During the Reporting Period, out of the 3 directors of the board of directors of Buwei, 1 director was nominated by the Group and has substantive voting rights in daily operations of Buwei. As a result, Buwei was classified as an associate over which the Group has significant influence since the first investment was made.

During the Reporting Period, out of the 4 directors of the board of directors of Youshi, 1 director was nominated by the Group and has substantive voting rights in daily operations of Buwei. As a result, Youshi was classified as an associate over which the Group has significant influence since the first investment was made.

All of the Group's shareholdings in the associates comprise equity shares held by Netjoy Network, Yunxiang Entertainment and Qizheng Culture.

15. TRADE RECEIVABLES AND NOTES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Included in non-current assets:		
Trade receivables	10,498	19,982
Impairment	(4,035)	(8,736)
	6,463	11,246
Included in current assets:		
Trade receivables	1,775,865	1,771,602
Notes receivables	–	6,900
Impairment	(243,924)	(238,942)
	1,531,941	1,539,560
	1,538,404	1,550,806

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentrations of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

15. TRADE RECEIVABLES AND NOTES (Continued)

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Less than 1 year	1,506,821	1,507,006
1 to 2 years	31,583	36,900
	1,538,404	1,543,906

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
At beginning of period	247,678	207,573
Impairment losses, net	281	40,105
At end of period	247,959	247,678

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

15. TRADE RECEIVABLES AND NOTES (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at June 30, 2024

	Expected credit loss rates	Gross carrying amounts RMB'000	Impairment RMB'000
Defaulted receivables	100.00%	170,907	170,907
Less than 1 year	1.27%	1,526,222	19,401
1 to 2 years	53.30%	67,628	36,045
2 to 3 years	100.00%	9,668	9,668
Over 3 years	100.00%	11,938	11,938
		1,786,363	247,959

As at December 31, 2023

	Expected credit loss rates	Gross carrying amounts RMB'000	Impairment RMB'000
Defaulted receivables	100.00%	171,598	171,598
Less than 1 year	1.24%	1,525,985	18,979
1 to 2 years	51.93%	76,770	39,870
2 to 3 years	100.00%	7,188	7,188
Over 3 years	100.00%	10,043	10,043
		1,791,584	247,678

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Included in non-current assets:		
Prepayments	18,051	18,051
Included in current assets:		
Prepayments	409,179	294,422
Other receivables	27,642	18,934
Value-added tax recoverable	122,364	131,717
Deposits	34,689	22,591
	593,874	467,664
Impairment loss	(17,477)	(17,477)
	576,397	450,187

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at December 31, 2023 and June 30, 2024, the loss allowance was assessed to be minimal.

17. CONTRACT LIABILITIES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Included in current liabilities		
Intelligent marketing solutions services	136,274	50,360

Contract liabilities include short-term advances received to provide intelligent marketing solutions services. The increase in contract liabilities from 2023 to 2024 was mainly due to the increase in short-term advances received from customers in relation to the provision of intelligent marketing solutions services at the end of the this report.

Contract liabilities primarily consist of the unrecognised revenue on intelligent marketing solutions services from the amount prepaid by customers, where there is still an implied obligation to be provided by the Group.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

18. CASH AND BANK BALANCES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cash and bank balances	465,173	363,605
Denominated in RMB	465,063	363,417
Denominated in HKD	72	56
Denominated in USD	38	132
	465,173	363,605
Cash and bank balances	465,173	363,605
Less: Restricted cash	(60,842)	(2,699)
Cash and cash equivalents	404,331	360,906

At the end of the reporting period, the cash and bank balances of the Group denominated in HKD and USD amounted to RMB110,000 (2023: RMB188,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Among the restricted cash, on June 30, 2024, RMB4,188,000 (2023: RMB2,699,000) has been frozen by the local regulatory authorities, but some disputes remain to be resolved.

19. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Within 90 days	590,787	583,747
91 to 365 days	45,311	28,670
Over 1 year	19,488	10,012
	655,586	622,429

The trade payables are non-interest-bearing and are normally settled within 30 to 90 days.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

20. OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Payroll and bonus payables		6,477	10,994
Other tax payables		32,147	32,844
Collections from customers	(a)	79,246	68,943
Other payables	(b)	28,566	27,156
		146,436	139,937

Notes:

- (a) Collections from customers are collections from customers seeking for advertisement distribution services.
- (b) Other payables are non-interest-bearing and repayable on demand.

21. INTEREST-BEARING BANK BORROWINGS

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Current		
Bank loans – guaranteed	50,000	5,404
Bank loans – not guaranteed	401,454	409,533
Total – current	451,454	414,937
Analysed into:		
Bank loans repayable:		
Within one year	451,454	414,937

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

22. DEFERRED TAX ASSETS

The movements in deferred tax assets during the six months ended June 30, 2024 and during the year ended December 31, 2023 are as follows:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
At the beginning of the period	64,758	52,197
Deferred tax credited to the profit or loss during the period	(1,029)	12,561
At the end of the period	63,729	64,758

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by the subsidiary established in Mainland China in respect of earnings generated from 1 January 2008.

As of June 30, 2024, the amount of tax losses for which deferred tax assets have not been recognised totalled approximately RMB176,506,000 (2023: RMB100,500,000). Deferred tax assets have not been recognised in respect of certain tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

23. SHARE CAPITAL

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Shares Issued and fully paid: 795,658,000 (2023: 795,658,000) ordinary shares of USD0.00005 each	148	148

For the six months ended June 30, 2024

24. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting periods are presented in the consolidated statement of changes in equity of the Group.

Capital reserve

The capital reserve of the Group represents the sum of capital reserves of the entities now comprising the Group, after elimination of intra-group balances, attributable to the controlling shareholder.

Statutory surplus reserve

In accordance with the Company Law of the PRC, the subsidiaries of the Group which are domestic enterprises, are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC GAAP, to their statutory surplus reserve until the reserve reaches 50% of their registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

25. SHARE SCHEMES

(a) Post-IPO Share Option Scheme

The Company operates a post-IPO share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Share Option Scheme became effective on 15 January 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HKD5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 20 days from the date of offer, upon payment of a nominal consideration of HKD1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Share Option Scheme, if earlier.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

25. SHARE OPTION SCHEME (Continued)

(a) Post-IPO Share Option Scheme (Continued)

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 27 January 2022, the Board resolved to cancel the share options to subscribe for an aggregate of 8,808,000 shares (the "**Existing Options**") under the Share Option Scheme adopted by the Company on 17 November 2020 with effect from 27 January 2022. In accordance with the terms of the Share Option Scheme, any Share Options granted but not exercised may be cancelled if the Grantees agree.

As of 27 January 2022, all the Existing Grantees have provided their written consent to the cancellation of their respective Existing Options. On the same date, the Board further resolved to grant share options (the "**New Options**") under the Share Option Scheme to a total of sixty-eight (68) eligible participants (the "**New Grantees**") to subscribe for an aggregate of 5,281,600 shares, representing approximately 0.66% of the total issued shares of the Company (the "**Shares**") as of 27 January 2022, subject to acceptance by the New Grantees, which are served as replacement of the cancelled Existing Options.

On September 5, 2022, the Board granted options to a total of thirteen (13) eligible participants to subscribe for a total of 2,395,588 shares (equivalent to about 0.301% of the total issued shares of the Company as of September 5, 2022) in accordance with the Share Option Scheme.

On July 17, 2023 (after the trading hours), the Board decided to grant a total of twenty-two (22) eligible participants options to subscribe for a total of 63,514,812 shares (equivalent to about 7.983% of the total issued shares of the Company as of July 17, 2023) under the Share Option Scheme.

(b) Restricted Share Unit Scheme

On September 5, 2022, the Group granted 1,868,186 shares represented by RSUs to one Director and four employees, which were approved by the Board, with the purpose of providing incentives and rewards to those qualified participants who contributed to the successful operation of the Group in the next few years. The vesting time of RSUs is on September 5, 2023, one-third of RSUs are vested; on September 5, 2024, one-third of the RSUs were vested; on September 5, 2025, one-third of the RSUs were vested.

On December 28, 2023, the Group granted a total of 40,000,000 RSUs to four directors and three employees, which have been approved by the Remuneration Committee and the Board, with the purpose of providing incentives and rewards to those qualified participants who have contributed to the successful operation of the Group in the next few years. The vesting time of the RSUs is: on December 28, 2024, one-third of the RSUs are vested; On December 28, 2025, one-third of the RSUs are vested; On December 28, 2026, one-third of the RSUs are vested.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

25. SHARE OPTION SCHEME (Continued)

(c) Amended Post-IPO Share Option Scheme

The amended post-IPO Share Option Scheme (the “**Amended Post-IPO Share Option Scheme**”) was adopted and approved by the EGM of shareholders on December 22, 2023 (the “**Adoption Date**”).

(d) Share Award Scheme

The Share Award Scheme (the “**Share Award Scheme**”) was adopted and approved by the EGM of shareholders on December 22, 2023 (the “**Adoption Date**”).

26. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Services provided to related parties:		
Baixing Net Co., Ltd.	1	–
Youshi Integration (Beijing) Public Relations Consulting Co., Ltd.	2,463	2,031

The Group has no guaranteed bank loans granted by shareholders as at June 30, 2024 and June 30, 2023.

(b) Outstanding balances with related parties

	As at	As at
	June 30, 2024	December 31, 2023
	RMB'000	RMB'000
	(unaudited)	(audited)
Amounts due from related parties		
Youshi Integration (Beijing) Public Relations Consulting Co., Ltd.	116,292	130,784
Shanghai Linxiu Information Technology Co.,Ltd.	8	99
Youshi Aowo (Shanghai) Intelligent Technology Co., Ltd	2,326	2,303
	118,626	133,186
Amounts due to related parties		
Baixing Net Co., Ltd.	–	42
	–	42

Amounts due to related parties were interest-free and unsecured and had no fixed repayment terms.

Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2024

26. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties (Continued)

Compensation of key management personnel of the Group:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term employee benefits	1,781	1,779
Equity-settled share option expense	8,090	577
Pension scheme contributions	209	197
Total compensation paid to key management personnel	10,080	2,553

Further details of directors' emoluments are included in note 7 to the financial statements.

No bonuses have been paid to the Company's five highest paid employees for the six months ended June 30, 2024 and the six months ended June 30, 2023.

27. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and related to conform with the current year's presentation and accounting treatment.

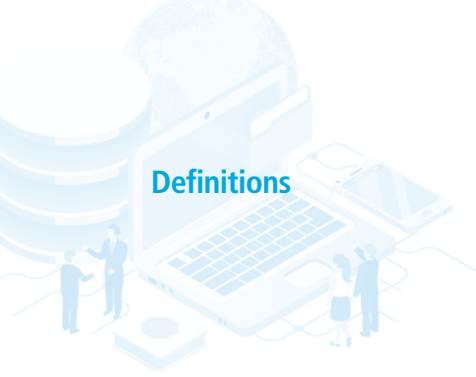
28. APPROVAL OF THE FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on August 19, 2024.



Definitions

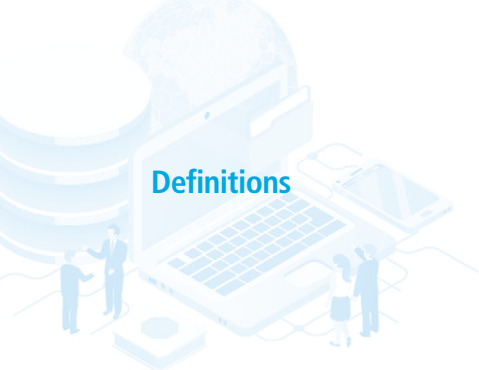
“AI”	artificial intelligence
“AIGC”	artificial intelligence generated content
“Amended Post-IPO Share Option Scheme”	the Share Award Scheme conditionally adopted by the Shareholders on December 22, 2023
“Audit Committee”	the audit committee of the Board
“Baixing Net”	Baixing Co., Ltd. (百姓網股份有限公司), a joint stock limited liability company established in the PRC on September 30, 2005, the shares of which are listed on NEEQ (stock code: 836012), and the holding company of Kijiji
“Baxter Investment”	Baxter Investment Holding Limited, a company incorporated under the laws of BVI on October 22, 2019, the intermediary holding vehicle set up by CityLinkers Trust Hong Kong Limited (連城信託香港有限公司) for the administration of The RGRGU Trust and the immediate shareholder of Dai SPV
“Board” or “Board of Directors”	the board of Directors
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only, except where the context requires, references in this interim report to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Company”	Netjoy Holdings Limited (云想科技控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 29, 2019
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely Netjoy Network and Tradeplus
“Contractual Arrangements”	the series of contractual arrangements, as the case may be, entered into by, among others, Yunxiang Information, Netjoy Network and its registered shareholders on March 30, 2020, and Tradeplus and its registered shareholders on June 16, 2021
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Dai SPV”	Blackburn Capitals Holding Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by Baxter Investment, and directly holding the relevant Shares on behalf of The RGRGU Trust



Definitions

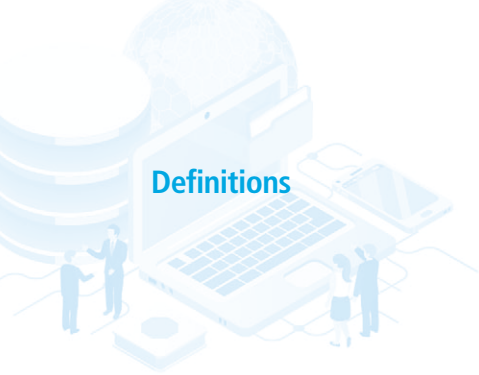
“Derun International”	Derun International Limited, a company incorporated under the laws of BVI on October 22, 2019, the intermediary holding vehicle set up by CityLinkers Trust Hong Kong Limited for the administration of The Longhills Trust and the immediate shareholder of Wang SPV
“Derun Investments”	Derun Investments Limited, a company incorporated under the laws of BVI on March 13, 2019 and wholly owned by Mr. Wang, the settlor of The Longhills Trust
“Director(s)”	director(s) of the Company
“DMP”	data management platform
“Family Trust(s)”	the relevant discretionary family trust set up by each of Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai and Mr. Ru, namely The Longhills Trust, The FS Trust, The MH’s Family Trust, The RGRGU Trust and The Ru Liang’s Trust
“FSS Investment”	FSS Investment Holding Limited, a company incorporated under the laws of BVI on October 22, 2019, the intermediary holding vehicle set up by CityLinkers Trust Hong Kong Limited for the administration of The FS Trust and the immediate shareholder of Xu SPV
“Global Awesomeness”	Global Awesomeness Limited, a company incorporated under the laws of BVI on March 13, 2019 and wholly owned by Mr. Dai, the settlor of The RGRGU Trust
“Global Offering”	the offering by the Company of the Shares for subscription to the public in Hong Kong and the offering of Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act in December 2020
“Group”, “we”, or “us”	the Company, its subsidiaries and its Consolidated Affiliated Entities from time to time or, where the context so requires, in respect of the period before the Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“holding company(ies)”	has the meaning ascribed thereto under the Listing Rules
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Kijiji”	Shanghai Kijiji Information Technology Co., Ltd. (上海客齊集信息技術股份有限公司), a joint stock limited liability company established in the PRC on June 16, 2005 and a Shareholder of the Company

“Latest Practicable Date”	September 10, 2024, being the latest practicable date prior to the printing of this report for the purpose of ascertaining certain information contained in this report
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	December 17, 2020, i.e. the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Mr. Dai”	Mr. Dai Liqun (戴立群), a non-executive Director
“Mr. Qin”	Mr. Qin Miaomiao (覃渺渺), the ultimate controller of The MH’s Family Trust
“Mr. Ru”	Mr. Ru Liang (茹良), the ultimate controller of The Ru Liang’s Trust
“Mr. Wang”	Mr. Wang Chen (王晨), an executive Director, the chief executive officer of the Company
“Mr. Xu”	Mr. Xu Jiaqing (徐佳慶), an executive Director, the chairman of the Board
“NEEQ”	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統) of the PRC
“Netjoy Network”	Netjoy (Shanghai) Network Technology Co., Ltd. (嗨皮(上海)網絡科技有限公司) (formerly known as Netjoy (Shanghai) Network Technology Holdings Co., Ltd. (嗨皮(上海)網絡科技股份有限公司)), a limited liability company established in the PRC on November 15, 2012 and a Consolidated Affiliated Entity indirectly controlled by the Company through the Contractual Arrangements
“Post-IPO Share Option Scheme”	the post-IPO share option scheme approved by a written resolution passed by the then Shareholders on November 17, 2020 and has taken effect from the Listing Date
“Prospectus”	the prospectus of the Company dated December 7, 2020
“Qin SPV”	CareFree Technology Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by SpringRain Planning Technology Limited, and directly holding the relevant Shares on behalf of The MH’s Family Trust



“Quantum Computing”	Quantum Computing Power Limited, a company incorporated under the laws of BVI on March 13, 2019 and wholly owned by Mr. Xu, the settlor of The FS Trust
“Reporting Period”	the six months ended June 30, 2024
“RMB” or “Renminbi”	the lawful currency of the PRC
“RSU Scheme”	the restricted share unit scheme adopted by the Company on October 18, 2021
“Ru SPV”	Jingke Global Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by Jingke International Limited, and directly holding the relevant Shares on behalf of The Ru Liang’s Trust
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Shanghai Fangxi”	Shanghai Fangxi Investment Management Partnership (Limited Partnership) (上海訪溪投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2015, the sole general partner of which is Mr. Wang Jianshuo
“Shanghai Paisen”	Shanghai Paisen Investment Management Partnership (Limited Partnership) (上海派森投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2015, the sole general partner of which is Mr. Wang Jianshuo
“Shanghai Xiangnong”	Shanghai Xiangnong Investment Management Partnership (Limited Partnership) (上海香農投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2015, the sole general partner of which is Mr. Wang Jianshuo
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00005 each
“Share Award Scheme”	the Share Option Scheme conditionally adopted by the Shareholders on December 22, 2023
“Share Option(s)”	the right to subscribe for a specified number of shares pursuant to the Post-IPO Share Option Scheme
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“The FS Trust”	a discretionary family trust set up by Mr. Xu (as the economic settlor and the protector), Quantum Computing (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Quantum Computing (as the initial beneficiary) and other beneficiaries as nominated by Mr. Xu from time to time
“The Longhills Trust”	a discretionary family trust set up by Mr. Wang (as the economic settlor and the protector), Derun Investments (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Derun Investments (as the initial beneficiary) and other beneficiaries as nominated by Mr. Wang from time to time
“The MH’s Family Trust”	a discretionary family trust set up by Mr. Qin (as the economic settlor and the protector), CareFree Planning Technology Limited (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of CareFree Planning Technology Limited (as the initial beneficiary) and other beneficiaries as nominated by Mr. Qin from time to time
“The RGRGU Trust”	a discretionary family trust set up by Mr. Dai (as the economic settlor and the protector), Global Awesomeness (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Global Awesomeness (as the initial beneficiary) and other beneficiaries as nominated by Mr. Dai from time to time
“The Ru Liang’s Trust”	a discretionary family trust set up by Mr. Ru (as the economic settlor and the protector), Luminous Stars Limited (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Luminous Stars Limited (as the initial beneficiary) and other beneficiaries as nominated by Mr. Ru from time to time
“Tradeplus”	Tradeplus (Shanghai) Information Technology Co., Ltd. (連山加(上海)信息技術有限公司), formerly known as Yuntu (Shanghai) Video Technology Co., Ltd. (雲圖(上海)視頻技術有限公司), a limited liability company established in the PRC on May 6, 2021, and a Consolidated Affiliated Entity controlled by the Company through Contractual Arrangements
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“Wang SPV”	Derun System Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by Derun International, and directly holding the relevant Shares on behalf of The Longhills Trust



Definitions

“Wutong Holding”	Wutong Holding Group Co., Ltd. (吳通控股集團股份有限公司), a limited liability company established in the PRC on June 22, 1999, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300292), and a Shareholder of the Company
“Xu SPV”	Magne Core Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by FSS Investment, and directly holding the relevant Shares on behalf of The FS Trust
“Yunxiang Information”	Yunxiang Shuke (Shanghai) Information Technology Co., Ltd. (云想數科(上海)信息技術有限公司), a limited liability company established in the PRC on August 29, 2019 and an indirect wholly-owned subsidiary of the Company
“%”	per cent