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WEIMOB INC.

微盟集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2013)

(Convertible Bonds Code: 5186)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Weimob Inc. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”) together with the comparative figures for the year ended December 31, 2023. The Group’s results have been audited by PricewaterhouseCoopers, the independent auditor of the Company, in accordance with Hong Kong Standards on Auditing (“**HKSA**”) issued by the HKICPA, and have been reviewed by the Audit Committee (as defined below).

In this announcement, “**we**”, “**us**”, and “**our**” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL PERFORMANCE HIGHLIGHTS

	Year ended December 31,		Year-on-year change
	2024	2023	
	<i>(RMB in millions, except percentage)</i>		
Revenue	1,339.3	2,227.7	(39.9%)
Gross profit	596.3	1,483.5	(59.8%)
Operating loss	(1,431.2)	(604.3)	136.8%
Loss before income tax	(1,787.2)	(726.4)	146.0%
Loss for the year	(1,744.0)	(761.3)	129.1%
Total comprehensive loss for the year	(1,745.7)	(767.7)	127.4%
Non-HKFRS Measures:			
Adjusted EBITDA	(375.5)	(212.9)	76.4%
Adjusted net loss	(532.8)	(549.4)	(3.0%)

* For identification purpose only

RESULTS HIGHLIGHTS FOR 2024

In 2024, with focus on the research and development (“**R&D**”) and application of AI technology, we actively captured the development opportunities of WeChat Mini Shop, and persistently optimized our business structure, enhanced operational efficiency, and continuously strengthened our financial fundamentals at the same time.

In 2024, the Group’s total revenue was approximately RMB1,339 million, representing a decrease of 39.9% as compared with the same period of last year, which was mainly because we made a one-time price concession of approximately RMB129 million with advertising platforms in respect of the rebates received from advertising services in 2023; at the same time, due to the impact of economic environment and the rebate policy of advertising platforms, the rebate ratio we received from advertising platforms decreased, which was not then fully passed on to the downstream advertisers, amounting of approximately RMB170 million, resulting in an impact to the revenue of approximately RMB299 million in total for the year. Excluding those impacts, the overall revenue was approximately RMB1,638 million, representing a decrease of 22.0% year-on-year. On the other hand, we insisted on cost reduction and efficiency enhancement as well as our strategic focus on our core business. We proactively downsized non-core and lower-profit businesses to streamline the business scale and reduce costs and expenses. Among which, we disposed of our Smart Catering business and proactively reduced our investment in small and micro merchants. This resulted in a year-on-year decrease in revenue by approximately RMB300 million. The reduction in low-profit non-primary businesses such as TSO service and finance has resulted in a year-on-year decrease in revenue by approximately RMB159 million, which resulted in a total amount of approximately RMB460 million.

In respect of Subscription Solutions, we disposed of our Smart Catering business in May last year and ceased consolidating its revenue. We have reduced our investment in the WeiMall business and other small and micro businesses. We have also scaled back the number of cities involved in direct sales and decreased the proportion of low-profit customer groups. In addition, the weaker macro-economy resulted in a reduction in deferred revenue from the previous year, which also brought some negative impact on the revenue in 2024. In respect of Merchant Solutions, we reduced low-profit businesses such as TSO service and finance, and focused more on advertisers’ placement serving business. The policy adjustment has caused a decrease in the rebate ratio we received from advertising platforms, putting certain pressure on the revenue.

Our gross profit decreased by 59.8% from approximately RMB1,484 million in 2023 to approximately RMB596 million in 2024, with the gross profit margin decreasing from 66.6% to 44.5%. Our adjusted gross profit decreased by 33.5% from approximately RMB1,362 million in 2023 to approximately RMB906 million in 2024. The decrease in adjusted gross profit was generally in line with the decrease in revenue. Our adjusted net loss narrowed from approximately RMB549 million in 2023 to approximately RMB533 million in 2024.

During the whole year of 2024, our operating cash flow improved remarkably to an outflow of approximately RMB332 million from an outflow of approximately RMB596 million in the corresponding period of last year, which has been significantly narrowed down for three consecutive years, primarily due to the optimization of cash flow from Merchant Solutions and the narrowing of losses from Subscription Solutions. In particular, in respect of Merchant Solutions, we adjusted our customer structure by lowering the proportion of gross billing from customers with long credit periods so as to reduce the amount of capital tied up and the time costs. Meanwhile, we actively communicated with our existing customers and succeeded in shortening the credit periods of certain customers. Through these measures, we not only improved the receivables turnover ratio, but also significantly increased the operating cash inflow from Merchant Solutions, ensuring financial health and operational efficiency.

As of the date of this announcement, the Group repurchased all of the US\$300 million convertible bonds issued in 2021, exchanged or converted all of the US\$85.00 million convertible bonds issued in April 2024, and converted almost all of the US\$90.00 million convertible bonds issued in September 2024, with only US\$0.6 million of the convertible bonds of the Company's foreign debt remained outstanding or to be converted. The cash and bank deposits balance of the Group was approximately RMB1,779 million, indicating a healthy cash and financial position.

In 2024, our revenue from Subscription Solutions was approximately RMB919 million, representing a year-on-year decrease of 31.9%. The number of paying merchants was 62,924, representing a year-on-year decrease of 34.7%. This was primarily due to the disposal of our Smart Catering business and the proactive reduction in the investment in small and micro merchants. We focused more on key accounts businesses such as Smart Retail. Our revenue from Smart Retail was approximately RMB618 million, representing a year-on-year increase of 0.7% and an organic year-on-year increase of 5.2%, accounting for 67.2% of the revenue from Subscription Solutions, resulting in an increase of 4.2% in the overall average revenue per user ("ARPU") to RMB14,598.

Our gross billing from Merchant Solutions for assisting merchants in advertising amounted to approximately RMB18,015 million, representing a year-on-year increase of 24.5%. We have expanded into a broader spectrum of channels, industries, and customer segments. We have secured a market-leading position in Tencent Advertising and Video Accounts Advertising businesses, while also achieving substantial growth in advertising channels such as Kuaishou and Xiaohongshu. During the same period, our revenue from Merchant Solutions was approximately RMB421 million, representing a year-on-year decrease of 52.1%. The adjusted revenue was approximately RMB550 million, representing a year-on-year decrease of 26.7%. During the Reporting Period, the number of paying merchants decreased by 0.4% to 66,669, and the average spend per paying merchant was approximately RMB270,208, representing an increase of 25.0%, mainly because we reduced our revenue from non-core and lower-profit businesses such as TSO service and finance, and cut the corresponding costs. Also, the rebate ratio we received from advertising platforms was lower than expected.

During the Reporting Period, we actively pursued the integration of AI technology with our core businesses. Weimob WAI has successfully integrated with more than 10 large model platforms, including DeepSeek, Tencent Hunyuan and Tongyi Qwen, and deployed 15 major AI Agent product matrices for industries such as e-commerce and retail. Driven by the capability of AI Agent, the monthly active customers of Weimob WAI increased by 74.0% month-on-month, the number of core functions usage increased by 248.0% year-on-year, the adoption rates of AI-generated copy and images increased by 53.4% and 13.4% year-on-year, respectively, and the Q&A accuracy rate of Weimob WAI Intelligent Assistant System reached 88.2%.

Weimob also officially launched the AI product "WIME" for micro, small and medium-sized e-commerce operators, which improved the efficiency of e-commerce operation and full-chain production. It improved the efficiency of product material creation by 80%, increased the speed of store shelf stocking by 50%, and reduced team operating costs by 60%. During the Double Eleven Promotion period in 2024, the number of active WIME users grew by over 20% and the usage increased by 37.8%. The volume of AI image production surged by 309.7%. As of December 31, 2024, WIME had an accumulated total of 48,905 registered users, and the monthly payment rate and the number of monthly active users continued to increase, with the highest monthly increase of 29.2% and 116.6%, respectively.

In 2024, while Tencent strategically upgraded WeChat Mini Shop, we continued to closely grasp the significant market opportunities brought by the technical and operational services of WeChat Mini Shop. As one of the first batch of service providers to join WeChat Mini Shop, we fully supported merchants to join WeChat e-commerce ecosystem. During the Reporting Period, Weimob took the lead in the industry to launch five major solutions for “Weimob × WeChat Mini Shop”, which helped merchants of different business types, at different business stages and at different operation levels to enhance their operational efficiency and business capabilities for business growth within the WeChat Mini Shop ecosystem through integrated operation, intelligent efficiency enhancement, organizational node management, and the CRM member operation system of WeChat Mini Shop. All of our solutions supported Weimob WAI, an intelligent merchant operation efficiency tool self-developed by Weimob, and could help customers operate smartly with AI. WIME, our large model application product, was initially launched on the WeChat service provider platform and became one of the first-wave AI tool service providers for WeChat Mini Shop.

In December 2024, the three substantial shareholders of the Company, namely Mr. SUN Taoyong, Mr. FANG Tongshu and Mr. YOU Fengchun (the substantial shareholders group of the Company), disposed of an aggregate of 123,593,000 shares of the Company in the open market through their respective controlled entity. Since the listing of the Company in 2019, Mr. Sun has never sold the shares of the Company and has continuously increased his shareholding in the Company in January 2024. Upon this disposal, the aforesaid substantial shareholders voluntarily undertook not to reduce their shareholdings in the Company within 12 months after December 27, 2024 due to their confidence in the Company’s future development and full recognition of its long-term investment value.

In January 2025, Tencent, a shareholder of the Company, disposed of an aggregate of 184,020,000 shares of the Company in the open market. Immediately after the disposal, Tencent indirectly held 99,170,461 shares of the Company. The Company and Tencent will continue to maintain their mutually beneficial business relationship. The Company will continue to serve as a service provider for WeChat Mini Shop, Mini Program and Tencent advertising, providing the merchants with high-quality SaaS products and precision advertising services within the Tencent ecosystem to promote merchants’ business growth.

BUSINESS REVIEW

We have been devoted to improving the operational efficiency of our core main businesses by technological innovation and management efficiency enhancement in the market environment where challenges meet opportunities. Besides, we have been motivated and keen on seizing the business space brought about by new technological innovations and market opportunities, laying the foundation for long-term sustainable development of our businesses. Our key performances of the principal businesses and products during the Reporting Period are set out as below:

Subscription Solutions

During the Reporting Period, our revenue from Subscription Solutions was approximately RMB919 million, representing a year-on-year decrease of 31.9%. The number of paying merchants was 62,924, representing a year-on-year decrease of 34.7%, while the ARPU increased by 4.2% to RMB14,598.

In terms of Smart Retail, as of December 31, 2024, our revenue from Smart Retail was approximately RMB618 million, representing a year-on-year increase of 0.7% and an organic year-on-year increase of 5.2%, accounting for 67.2% of the revenue from Subscription Solutions, and the number of merchants reached 7,625, among which there were 1,241 brand merchants, and the average order revenue per user of brand merchants was approximately RMB193 thousand.

Leveraging on our strategic focus on our core business and proactively downsizing lower-profit businesses as well as the robust growth of its Smart Retail business, we fully achieved transformation of moving up-market in 2024. During the Reporting Period, we further increased our influence in the key accounts merchants market, accounting for 48% of the Top 100 Fashion Retailers in China, 50% of the Top 100 Commercial Real Estate Companies and 42% of the Top 100 Convenience Store Chains, and the number of partner merchant accounts using the integrated solution (Retail + Membership + WeCom) grew by 59% year-on-year. The number of customers with a scale of over one million members served by us increased by 28% year-on-year, while the number of customers with a scale of over ten million members increased by 20% year-on-year.

We launched our brand-new upgraded version of Smart Shopping Department Store Solutions, which is represented by shopping centers and department stores and provides full-chain and one-stop digitalized implementation services for nine major segments in the commercial real estate field. In 2024, newly contracted commercial real estate clients grew by 70%. Smart Shopping Department Store Solutions have successfully served numerous leading merchants, including Poly Business and Tourism, Xincheng Holding Group, Distacom Group and Wushang Group. Also, with our active response to the trade-in policies of “national subsidies”, our WeiMall, Smart Retail, wholesale and other solutions have been formally integrated with UnionPay, a payment channel, empowering R&T, Gree Beijing, Lenovo and many other brands and enterprises to seize the benefits brought by this policy.

As one of the first-wave service providers to serve in WeChat Mini Shop of Tencent, our Smart Retail and WeiMall Solutions were promptly developed with the capability of redirecting from Weimob Mini Program mall to WeChat Mini Shop, and supported the “one-click gift delivery” feature in the Mini Program, which helped merchants to instantly group all traffic across the entire domain of WeChat, realizing the operation of the dual platform of “WeChat Mini Shop + Mini Program”. On the eve of the Spring Festival of 2025, we rolled out the “Support Scheme: Opening a Shop in WeChat Mini Shop (微信小店開店扶持計劃)” for merchants, providing them with one-stop shop-opening services including shop-opening guidance, traffic incentives and operational support, and helped merchants take advantage of the Spring Festival to realize business growth.

Merchant Solutions

In 2024, Weimob Marketing continued to uphold the concept of “Science-Driven Global Domain Operation” with the excellent marketing service capability and innovation spirit. We created countless successful cases for multiple customers on diverse platform channels, including Tencent, Kuaishou and Xiaohongshu. The revenue from Merchant Solutions during the Reporting Period was approximately RMB421 million. We made a one-time price concession of approximately RMB129 million in aggregate with advertising platforms in respect of the rebates received from advertising services in 2023, excluding such one-time price concession, the adjusted revenue was approximately RMB550 million; the gross profit was approximately RMB266 million, the adjusted gross profit was approximately RMB395 million and the gross profit margin increased to 71.8% from 63.1% after adjustment. During the Reporting Period, due to the impact of the economic environment and the rebate policy of advertising platforms, the rebate ratio we received from advertising platforms decreased, and that was not fully passed on to the downstream advertisers, putting certain pressure on the revenue and profit from Merchant Solutions. The rebate to downstream advertisers has been adjusted accordingly and is expected to be reflected in the revenue and profit from Merchant Solutions in the coming year. In 2024, the gross billing from advertisements placed by merchants, as facilitated by Weimob Marketing, amounted to approximately RMB18,015 million, representing a year-on-year increase of 24.5%. The number of paying merchants for Merchant Solutions decreased by 0.4% to 66,669, and the average spend per paying merchant was RMB270,208, representing an increase of 25.0%. In 2024, we adopted the following measures to enhance our business and the quality of our customers. Firstly, we adjusted our customer structure by lowering the proportion of gross billing from customers with long credit periods so as to reduce the amount of capital tied up and the time costs. Meanwhile, we actively communicated with our existing customers and succeeded in shortening the credit periods of certain customers. Through these measures, we not only improved the receivables turnover ratio, but also significantly increased the operating cash inflow from Merchant Solutions, ensuring financial health and operational efficiency, and laying a solid foundation for sustainable development in the future. We are committed to maintaining our market share leadership among advertising platforms, enhancing the quality of our customers, and facilitating the Company to maintain its leading edge in the highly competitive market through refined management.

During the Reporting Period, our Tencent advertising market consumption increased by 26% year-on-year, Video Accounts advertising consumption increased by 49% year-on-year, and we obtained 25 key awards in Tencent Advertising’s 2024 regional channel annual award-winning service provider list, including “Strategic Partnership Award (「戰略合作獎」)”, “Marketing Leadership Award (「營銷領軍獎」)” and “Navigating and Leading Partners (「如翼領航合作夥伴」)”, demonstrating our benchmark strength and market influence in the digital marketing field.

During the Reporting Period, we have shown significant growth potential for cooperation with KOLs on Video Accounts. In 2024, the GMV of the KOLs on Video Accounts served by the Group leaped to almost 300 million and the number of KOLs involved in the in-depth incubation and cooperation surged by nearly 7.5 times, with one KOL of ten million views for each live streaming incubated, maintaining our leading position in the industry. We also provided daily broadcast training services to various types of live streamers, such as life, food and drama, with an average GMV increase of 400% per live streaming. We also delivered “0 to 1 incubation” services for KOLs, enabling their monthly fan base and short video views to escalate by over 100 thousand and over 45 million respectively.

As the agency of Xiaohongshu advertising and Xiaohongshu Dandelion, we assisted brands to create a closed loop of operation on Xiaohongshu, offering full-chain services across marketing insights, creative content, KOL marketing and short video filming. We also used data analysis tools to develop precise marketing strategies for brands and improve conversion effects. During the Reporting Period, the annual consumption of customers served by us on Xiaohongshu platform increased by 82% year-on-year.

We continued to deepen the cooperation with Kuaishou, helping brands achieve dual-growth in volume and sales on Kuaishou by our services such as integrated marketing, KOL marketing, live streaming operation and private domain operation. During the Reporting Period, our annual consumption for Kuaishou advertisements increased by 54% year-on-year.

BUSINESS OUTLOOK

- 1. Providing multi-dimensional services for WeChat Mini Shop and dedicating in WeChat e-commerce ecosystem.** We are optimistic about the market potential and business prospects of the e-commerce ecosystem based on WeChat Mini Shop. As the core service provider of WeChat Mini Shop, we leverage the traffic advantage and social fission effect of the WeChat ecosystem and provide multi-dimensional technical and operational services capabilities to help millions of merchants achieve efficient conversion of public and private domain traffic in the WeChat business ecosystem as well as business growth. At the same time, relying on the beneficial cycle of “traffic-transaction-repeated order” in WeChat, we integrate Tencent’s advertising resources to create precise marketing solutions for brands, supporting the merchants to quickly differentiate themselves in the WeChat e-commerce ecosystem.
- 2. Focusing on e-commerce retail and implementing AI Agent application.** The high-performance and low-cost of domestic large models represented by DeepSeek have accelerated the development of the AI industry from the hardware infrastructure layer to the software application layer. Focusing on the e-commerce and retail vertical scenarios, where the Group has an advantage in terms of product and customer service experience, we will further expand the AI Agent application matrix to cover a wide range of customers, including SaaS, marketing, and micro, small and medium-sized e-commerce entrepreneurs, and strive to turn market reputation into business revenue and become a leading service provider of AI enterprise applications.
- 3. Empowering digitalization of physical retails by multi-scenario in-depth operations.** With the focus on the direction of “In-depth Industrialization”, we will drive the penetration of our broad retail solutions to more vertical industries, such as the emerging potential field of “beauty and pet market”. We will strive to expand our six major business scenarios, namely membership business, shopping guide business, wholesale business, distribution business, intra-city business and reservation business. By virtue of our leading digitalized products and services, we will deeply empower physical retails to enhance their operational efficiency and operating results through multiple scenarios and multiple business directions so as to achieve sustainable performance growth.
- 4. Pursuing opportunities from overseas market with product-driven growth (“PLG”) model trial in North America.** Adhering to the PLG concept, the Group is actively promoting the trial use of overseas marketing and promoting product applications and AI applications in mature markets such as North America. We use product technology capabilities and industry experience to help merchants achieve business demands such as marketing, promotion and e-commerce independent station construction with high cost effectiveness, realizing efficient and intelligent operation. We will seize the new business opportunities brought about by the increased internationalization and attractiveness of Xiaohongshu, and help more brands to achieve the full chain from marketing to trading on Xiaohongshu. Moreover, we will further drive the expansion and development of the overseas business of Heading.

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue	1,339,255	2,227,684
Cost of sales	<u>(742,931)</u>	<u>(744,159)</u>
Gross profit	596,324	1,483,525
Selling and distribution expenses	(1,014,048)	(1,551,483)
General and administrative expenses	(616,802)	(714,254)
Net impairment losses on financial assets	(91,362)	(30,491)
Other income	40,842	85,090
Other (losses)/gains, net	<u>(346,114)</u>	<u>123,322</u>
Operating loss	(1,431,160)	(604,291)
Finance costs	(273,746)	(151,223)
Finance income	12,006	33,889
Share of net losses of associates accounted for using the equity method	(24,909)	(10,479)
Change in fair value of convertible bonds	<u>(69,394)</u>	<u>5,747</u>
Loss before income tax	(1,787,203)	(726,357)
Income tax credit/(expenses)	<u>43,253</u>	<u>(34,901)</u>
Loss for the year	<u>(1,743,950)</u>	<u>(761,258)</u>
Loss attributable to:		
– Equity holders of the Company	(1,728,493)	(758,251)
– Non-controlling interests	<u>(15,457)</u>	<u>(3,007)</u>

Key Operating Data

The following table sets forth our key operating data for the years ended/as of December 31, 2024 and 2023.

	Year ended/as of December 31,	
	2024	2023
<i>Subscription Solutions</i>		
Addition in number of paying merchants	12,710	23,411
Number of paying merchants	62,924	96,339
Attrition rate ⁽¹⁾	24.3%	26.8%
Revenue (RMB in millions)	918.5	1,349.4
ARPU ⁽²⁾ (RMB)	14,598	14,007
<i>Merchant Solutions</i>		
Number of paying merchants	66,669	66,905
Adjusted revenue (RMB in millions)	549.6	749.5
Adjusted ARPU (RMB)	8,243	11,202
Gross billing (RMB in millions)	18,014.5	14,465.8

Notes:

- (1) Refers to the number of paying merchants not retained over a year divided by the number of paying merchants as of the end of the previous year, excluding those belong to the discontinued business lines in Subscription Solutions.
- (2) Refers to the revenue of Subscription Solutions for the year divided by the number of paying merchants as of the end of such year.

Key Financial Ratios

	Year ended December 31,	
	2024	2023
	%	%
Adjusted total revenue growth	(30.1)	14.1
Adjusted gross margin ⁽¹⁾	61.7	64.9
Adjusted EBITDA margin ⁽²⁾	(25.6)	(10.1)
Net margin ⁽³⁾ attributable to equity holders of the Company	(129.1)	(34.0)
Adjusted net margin ⁽⁴⁾ attributable to equity holders of the Company	(36.1)	(26.7)

Notes:

- (1) Equals adjusted gross profit divided by adjusted revenue for the year and multiplied by 100%.
- (2) Equals adjusted EBITDA divided by adjusted revenue for the year and multiplied by 100%. For the reconciliation from operating profit/(loss) to EBITDA and adjusted EBITDA, please refer to section “Non-HKFRS Measures: Adjusted Revenue, Adjusted EBITDA and Adjusted Net Loss” below.
- (3) Equals net profit/(loss) attributable to equity holders of the Company divided by revenue for the year and multiplied by 100%.
- (4) Equals adjusted net profit/(loss) attributable to equity holders of the Company divided by adjusted revenue for the year and multiplied by 100%. For the reconciliation from net profit/(loss) to adjusted net profit/(loss), please refer to section “Non-HKFRS Measures: Adjusted Revenue, Adjusted EBITDA and Adjusted Net Loss” below.

Revenue

The total revenue decreased by 39.9% from approximately RMB2,227.7 million in 2023 to approximately RMB1,339.3 million in 2024, primarily due to the decrease in revenue from both the Subscription Solutions and Merchant Solutions. The following table sets forth a breakdown of the revenue by business segments for the years indicated.

	Year ended December 31,			
	2024		2023	
	<i>(RMB in millions, except percentages)</i>			
Revenue	<i>Revenue per financial statement</i>	<i>%</i>	<i>Revenue per financial statement</i>	<i>%</i>
– Subscription Solutions	918.5	68.6	1,349.4	60.6
– Merchant Solutions ⁽¹⁾	420.8	31.4	878.3	39.4
Total	<u>1,339.3</u>	<u>100.0</u>	<u>2,227.7</u>	<u>100.0</u>

	Year ended December 31,			
	2024		2023	
	<i>(Unaudited, RMB in millions, except percentages)</i>			
Adjusted revenue	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
– Subscription Solutions	918.5	62.6	1,349.4	64.3
– Merchant Solutions ⁽¹⁾	549.6	37.4	749.5	35.7
Total	<u>1,468.1</u>	<u>100.0</u>	<u>2,098.9</u>	<u>100.0</u>

Subscription Solutions

Subscription Solutions mainly comprise our commerce and marketing SaaS products and ERP solutions including WeiMall (微商城), Smart Retail (智慧零售), Smart Hotel (智慧酒店), Heading ERP (海鼎 ERP) and others. Based on our Weimob Cloud Service Market and PaaS, we also provide key accounts customization services, and offer applications developed by third-party vendors on the Weimob Cloud Service Market.

Revenue from Subscription Solutions decreased by 31.9% from approximately RMB1,349.4 million in 2023 to approximately RMB918.5 million in 2024. Revenue in 2024 was negatively impacted by sustained pressure from a shortage in deferred revenue as a result of the weak order intake in 2022 and 2023, due to the weak recovery of macroeconomy. In addition, the Company streamlined the Subscription Solutions business and focused more on core business lines such as WeiMall and Smart Retail by cutting non-core business lines like Smart Catering (智慧餐飲) and downsizing Subscription Solutions services to low-ARPU and low-margin customers. The direct impact of the business restructuring was the decrease in both the revenue and expenses from Subscription Solutions (please refer to the sections “Selling and Distribution Expenses” and “General and Administrative Expenses” below).

Due to the reasons mentioned above, revenue from Subscription Solutions decreased by approximately RMB430.9 million.

Merchant Solutions

Year ended December 31,
Year-on-year
2024 2023 change
(RMB in millions, except percentages)

Merchant Solutions

Gross billing	18,014.5	14,465.8	24.5%
Revenue	420.8	878.3	(52.1%)

Year ended December 31,
Year-on-year
2024 2023 change
*(Unaudited, RMB in millions,
except percentages)*

Merchant Solutions

Adjusted revenue ⁽¹⁾	549.6	749.5	(26.7%)
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Note (1): In Merchant Solutions, following true-up adjustments were made to revenue:

The one-time price concession on the 2023 rebate from certain advertising platforms has been reverted back to the figures of 2023, which results in an increase in rebate income in 2024 by approximately RMB128.8 million, while the rebate income of 2023 has been decreased by the same amount.

Merchant Solutions mainly comprise value-added services offered to merchants as part of the integral solutions to meet merchants' online commerce and marketing, including targeted marketing services that enable merchants to acquire online customer traffic in various top online advertising platforms, our TSO service, and technology services to connect local banks and other financial institutions with merchants to fulfil their financing needs.

Gross billing from Merchant Solutions increased from approximately RMB14,465.8 million in 2023 to approximately RMB18,014.5 million in 2024, primarily attributable to the increase in average spend per advertiser from RMB216,215 in 2023 to RMB270,208 in 2024.

Revenue from Merchant Solutions represents net rebate earned from advertising platforms by providing services to enable merchants to acquire online customer traffic, commissions from TSO service and targeted marketing operation services as well as fintech commissions. Adjusted revenue decreased by 26.7% from approximately RMB749.5 million in 2023 to approximately RMB549.6 million in 2024, primarily because (i) net rebate earned from advertising platforms decreased by approximately RMB40.7 million; and (ii) revenue from TSO service and credit technology services decreased by approximately RMB159.2 million, due to business restructuring in which we downsized the two business lines.

Cost of Sales

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

	Year ended December 31,		2023	
	2024			
	<i>(RMB in millions, except percentages)</i>			
Cost of sales				
Advertising traffic cost	54.5	7.3%	127.1	17.1%
Staff costs	80.0	10.8%	100.7	13.5%
Broadband and hardware costs	28.6	3.8%	39.6	5.3%
Contract operation services costs	197.1	26.5%	246.1	33.1%
Amortization of and impairment provision for intangible assets	368.5	49.6%	219.5	29.5%
Taxes and surcharges	12.4	1.7%	9.2	1.2%
Depreciation	1.9	0.3%	2.0	0.3%
Total	743.0	100.0%	744.2	100.0%

	Year ended December 31,		2023	
	2024			
	<i>(Unaudited, RMB in millions, except percentages)</i>			
Adjusted Cost of Sales				
Advertising traffic cost	54.5	9.7%	127.1	17.2%
Staff costs	80.0	14.3%	100.7	13.7%
Broadband hardware costs	28.6	5.1%	39.6	5.4%
Contract operation services costs	197.1	35.1%	246.1	33.4%
Amortization of and impairment provision for intangible assets ⁽²⁾	187.2	33.3%	211.8	28.8%
Taxes and surcharges	12.4	2.2%	9.2	1.2%
Depreciation	1.9	0.3%	2.0	0.3%
Total	561.7	100.0%	736.5	100.0%

The cost of sales decreased by 0.2% from approximately RMB744.2 million in 2023 to approximately RMB743.0 million in 2024, among which RMB179.4 million were impairment of intangible assets included in costs for 2024. Apart from this, which was mainly because (i) our advertising traffic cost decreased by approximately RMB72.6 million, in line with the streamlining of TSO service; (ii) the contract operation services costs decreased by approximately RMB49.0 million and staff costs decreased by approximately RMB20.7 million, due to organization optimization and control on staff headcount; (iii) our broadband and hardware costs decreased by approximately RMB11.0 million, due to the cost optimization; and (iv) the decrease in amortization of intangible assets by approximately RMB24.6 million due to decreased R&D capitalization as a result of organization optimization.

The following table sets forth a breakdown of our cost of sales by business segment for the years indicated.

	Year ended December 31,		2023	
	2024			
	<i>(RMB in millions, except percentages)</i>			
Cost of sales				
– Subscription Solutions	587.9	79.1%	456.8	61.4%
– Merchant Solutions	155.1	20.9%	287.4	38.6%
Total	743.0	100.0%	744.2	100.0%

	Year ended December 31,		2023	
	2024			
	<i>(Unaudited, RMB in millions, except percentage)</i>			
Adjusted Cost of Sales				
– Subscription Solutions ⁽²⁾	406.6	72.4%	449.1	61.0%
– Merchant Solutions	155.1	27.6%	287.4	39.0%
Total	561.7	100.0%	736.5	100.0%

Note (2): In respect of Subscription Solutions, the cost of sales in 2024 included approximately RMB179.4 million due to the full impairment of intangible assets made in 2024. The Company made true-up adjustment to reverse it. As a result, the adjusted amortization of and impairment provision for intangible assets was approximately RMB187.2 million and the adjusted cost of sales was approximately RMB561.7 million in total.

Subscription Solutions

The adjusted cost of sales of the Subscription Solutions decreased by 9.5% from approximately RMB449.1 million in 2023 to approximately RMB406.6 million in 2024, primarily due to the decrease in amortization of and impairment provision for intangible assets from approximately RMB211.8 million in 2023 to approximately RMB187.2 million in 2024 and decrease in staff costs from approximately RMB100.7 million in 2023 to approximately RMB80.0 million in 2024, both attributable to organization optimization.

Merchant Solutions

The cost of sales of the Merchant Solutions decreased by 46.0% from approximately RMB287.4 million in 2023 to approximately RMB155.1 million in 2024, primarily due to the decrease in advertising traffic cost and contract operation services costs, which was in line with the streamlining of TSO and credit technology services and organization optimization.

Gross Profit and Gross Margin

The following table sets forth a breakdown of our gross profit and gross margin by business segment for the years indicated.

	Year ended December 31,					
	2024			2023		
	<i>Gross profit</i>	<i>%</i>	<i>Gross margin</i>	<i>Gross profit</i>	<i>%</i>	<i>Gross margin</i>
	<i>(RMB in millions, except percentages)</i>					
– Subscription Solutions	330.6	55.4	36.0%	892.6	60.2	66.1%
– Merchant Solutions	265.7	44.6	63.1%	590.9	39.8	67.3%
Total	596.3	100.0	44.5%	1,483.5	100.0	66.6%

Adjusted Gross Profit and Gross Margin

	Year ended December 31,					
	2024			2023		
	<i>Adjusted gross profit</i>	<i>%</i>	<i>Adjusted gross margin</i>	<i>Adjusted gross profit</i>	<i>%</i>	<i>Adjusted gross margin</i>
	<i>(Unaudited, RMB in millions, except percentages)</i>					
– Subscription Solutions ⁽¹⁾	511.9	56.5	55.7%	900.3	66.1	66.7%
– Merchant Solutions ⁽²⁾	394.5	43.5	71.8%	462.1	33.9	61.7%
Total	906.4	100.0	61.7%	1,362.4	100.0	64.9%

Notes:

(1) Please refer to Note (2) under section “Cost of Sales”.

(2) Please refer to Note (1) under section “Revenue – Merchant Solutions”.

The adjusted gross profit decreased by 33.5% from approximately RMB1,362.4 million in 2023 to approximately RMB906.4 million in 2024.

The adjusted gross margin of the Subscription Solutions decreased from 66.7% in 2023 to 55.7% in 2024 primarily due to the decrease in deferred revenue as a result of the weak order intake in 2022 and 2023 and business restructuring of low ARPU and low margin customers.

The adjusted gross margin of the Merchant Solutions increased from 61.7% in 2023 to 71.8% in 2024 due to higher percentage of net rebate revenue in Merchant Solutions as a result of the restructuring of TSO and credit technology services.

Selling and Distribution Expenses

The selling and distribution expenses decreased by 34.6% from approximately RMB1,551.5 million in 2023 to approximately RMB1,014.0 million in 2024, primarily due to (i) the decrease in contract acquisition cost from approximately RMB390.2 million in 2023 to approximately RMB136.4 million in 2024, which was in line with the decrease in revenue due to the business restructuring; (ii) the decrease in staff costs from approximately RMB861.8 million in 2023 to approximately RMB683.8 million in 2024 as a result of organization optimization; (iii) the decrease in online and offline marketing expenses from approximately RMB150.6 million in 2023 to approximately RMB85.4 million in 2024; and (iv) the decrease in travelling expenses by approximately RMB19.9 million.

Excluding the non-HKFRS items (share-based compensation and severance compensation), adjusted staff costs decreased by approximately RMB166.7 million from approximately RMB804.0 million in 2023 to approximately RMB637.3 million in 2024.

General and Administrative Expenses

The general and administrative expenses decreased by 13.6% from approximately RMB714.3 million in 2023 to approximately RMB616.8 million in 2024, primarily due to (i) the decrease in research and development and administrative staff costs from approximately RMB532.2 million in 2023 to approximately RMB484.2 million in 2024, with the combined effect of a decrease of approximately RMB122.4 million brought by organization optimization netting off an increase of approximately RMB74.4 million in R&D amortization; (ii) the decrease in other expense by approximately RMB41.8 million, primarily due to (a) impairment of intangible assets in 2023 by RMB16.6 million; and (b) the decrease in server cost, rental and property service expense and consulting expense by approximately RMB25.2 million due to the cost saving.

Excluding the non-HKFRS items (share-based compensation, severance compensation and amortization of intangible assets due to business combination), adjusted staff costs decreased by approximately RMB12.4 million from approximately RMB430.9 million in 2023 to approximately RMB418.5 million in 2024, and adjusted amortization of intangible assets due to business combination decreased by approximately RMB3.2 million from approximately RMB11.6 million in 2023 to approximately RMB8.4 million in 2024.

Research and Development Expenditure

	Year ended December 31,	
	2024	2023
	<i>(RMB in millions)</i>	
Research and development expenditure		
Research and development expenditure capitalized in development cost and intangible assets	20.5	180.4
Research and development expenditure in general and administrative expenses	385.8	406.3
Total research and development expenditure	406.3	586.7

Self-developed Software and Development Cost

	Year ended December 31,	
	2024	2023
	<i>(RMB in millions)</i>	
Balance at beginning of the year	376.9	448.6
<i>Total research and development expenditure</i>	406.3	586.7
<i>Research and development expenditure in general and administrative expenses</i>	(385.8)	(406.3)
<i>Amortization of the year – included in cost of sales</i>	(203.7)	(231.1)
<i>Impairment provision – included in cost of sales</i>	(179.4)	(21.0)
	<hr/>	<hr/>
Balance at end of the year	14.3	376.9
	<hr/> <hr/>	<hr/> <hr/>

Research and development expenditure decreased by 30.7% from approximately RMB586.7 million in 2023 to approximately RMB406.3 million in 2024.

Employee Benefits in Costs and Expenses (Adjusted Amount)

	2024	2023
	<i>(RMB in millions, except for number of employees)</i>	
Number of employees	3,563	4,584
Employee benefits	1,156.4	1,516.0
	<hr/>	<hr/>
By charge to nature		
<i>Cost</i>	80.0	100.7
<i>Selling and distribution expenses</i>	637.3	804.0
<i>General and administrative cost</i>	418.5	430.9
<i>Capitalization</i>	20.5	180.4
	<hr/> <hr/>	<hr/> <hr/>

The adjusted employee benefits decreased by approximately RMB359.6 million from approximately RMB1,516.0 million in 2023 to approximately RMB1,156.4 million in 2024 due to the following reasons: (i) approximately RMB219.7 million from annualization effect on 2024 of our decreased headcounts in 2023; and (ii) approximately RMB139.8 million deduction due to our “Organization Optimization” in 2024.

Net Impairment Losses on Financial Assets

The net impairment losses on financial assets increased from approximately RMB30.5 million in 2023 to approximately RMB91.4 million in 2024, mainly due to the specific provision of approximately RMB55.1 million for the receivables from a related party (approximately RMB18.6 million) and a discontinued business of SaaS (approximately RMB36.5 million).

Other Income

The other income decreased from approximately RMB85.1 million in 2023 to approximately RMB40.8 million in 2024, primarily due to the decrease in super deduction of input VAT as a result of the termination of the related tax policy.

Other Losses, Net

We recorded other net losses of approximately RMB346.1 million in 2024, mainly due to the fair value loss and the goodwill impairment of approximately RMB320.6 million from invested and acquired companies, and the exchange loss of approximately RMB23.7 million due to the settlement of USD convertible bonds.

Operating Loss

As a result of the foregoing, we had an operating loss of approximately RMB1,431.2 million in 2024, while we had an operating loss of approximately RMB604.3 million in 2023.

Finance Costs

The finance costs increased from approximately RMB151.2 million in 2023 to approximately RMB273.7 million in 2024, primarily due to the adjustment of amortization cost arising from early redemption of the convertible bonds issued in June 2021 (the “**2021 Convertible Bonds**”) of approximately RMB138.4 million.

Finance Income

The finance income decreased from approximately RMB33.9 million in 2023 to approximately RMB12.0 million in 2024, primarily due to the decrease in interest income from our bank deposits.

Share of Net Losses of Associates Accounted for Using the Equity Method

We recorded share of net losses of associates accounted for using the equity method of approximately RMB24.9 million in 2024, which mainly represented our share of losses from equity investment funds.

Change in Fair Value of Convertible Bonds

We recorded a loss of approximately RMB69.4 million in 2024 in the change in fair value of convertible bonds due to the unfavourable changes in fair value of convertible bonds.

Income Tax Credit/(Expenses)

We recorded income tax expenses of approximately RMB34.9 million in 2023 and income tax credit of approximately RMB43.3 million in 2024, respectively, primarily due to the recognition of deferred income tax assets resulting from the increased impairment losses on financial assets and increased tax losses in our subsidiaries in the PRC.

Loss for the Year

As a result of the foregoing, we recorded a loss of approximately RMB1,744.0 million in 2024, while we recorded a loss of approximately RMB761.3 million in 2023.

Non-HKFRS Measures: Adjusted Revenue, Adjusted EBITDA and Adjusted Net Loss

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted EBITDA and adjusted net loss as additional financial measures, which are not required by, or presented in accordance with, HKFRS. We believe these non-HKFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance. We believe these measures provide useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management.

However, our presentation of adjusted EBITDA and adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures 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 HKFRS.

The following tables reconcile our adjusted EBITDA and adjusted net loss for the years presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS, which are operating loss for the year and net loss for the year:

	For the year ended December 31, 2024												
	Adjustments (RMB in millions, unless specified)												
	As Reported	One-time price concession ⁽²⁾	Share-based compensation	Convertible Bonds related costs	2021 Convertible Bonds related costs	2024 Convertible Bonds related costs	Fair value changes and one-off expenses related to 2024 Bonds	Amortization and impairment of intangible assets ⁽¹⁾	One-off severance compensation	Fair value changes of equity investments in unlisted companies	Others	Tax effects	Non-GAAP
Gross profit	596.3	128.8	-	-	-	-	-	181.3	-	-	-	-	906.4
Gross margin	44.5%	-	-	-	-	-	-	-	-	-	-	-	61.7%
Subscription Solutions	36.0%	-	-	-	-	-	-	-	-	-	-	-	55.7%
Merchant Solutions	63.1%	-	-	-	-	-	-	-	-	-	-	-	71.8%
Operating profit/(loss)	(1,431.2)	128.8	27.0	6.7	(0.3)	-	262.5	85.1	297.6	-	-	-	(623.8)
Operating margin	(106.9%)	-	-	-	-	-	-	-	-	-	-	-	(42.5%)
EBITDA	(1,228.6)	128.8	27.0	6.7	(0.3)	86.9	221.3	85.1	297.6	-	-	-	(375.5)
EBITDA margin	(91.7%)	-	-	-	-	-	-	-	-	-	-	-	(25.6%)
Net loss	(1,744.0)	128.8	27.0	337.0	23.8	86.9	262.5	85.1	297.6	5.8	(43.3)	-	(532.8)
Net margin	(130.2%)	-	-	-	-	-	-	-	-	-	-	-	(36.3%)
Net loss attributable to equity holders of the Company	(1,728.5)	128.8	27.0	337.0	23.8	86.9	246.2	85.1	297.6	5.8	(39.9)	-	(530.2)
Net margin attributable to equity holders of the Company	(129.1%)	-	-	-	-	-	-	-	-	-	-	-	(36.1%)

For the year ended December 31, 2023

Adjustments

(RMB in millions, unless specified)

	Reported	One-time price concession ⁽²⁾	Share-based compensation	Convertible Bonds related costs	2021 related to Convertible Bonds	Fair value changes and one-off expenses related to 2020 impairment of intangible assets	Amortization and severance compensation	Fair value changes of equity investments in unlisted companies	Others	Tax effects	Non-GAAP
Gross profit	1,483.5	(128.8)	-	-	-	7.7	-	-	-	-	1,362.4
Gross margin	66.6%	-	-	-	-	-	-	-	-	-	64.9%
Subscription Solutions	66.1%	-	-	-	-	-	-	-	-	-	66.7%
Merchant Solutions	67.3%	-	-	-	-	-	-	-	-	-	61.7%
Operating profit/(loss)	(604.3)	(128.8)	82.8	27.5	-	63.6	76.3	(32.6)	-	-	(515.5)
Operating margin	(27.1%)	-	-	-	-	-	-	-	-	-	(24.6%)
EBITDA	(253.4)	(128.8)	82.8	27.5	(5.7)	21.0	76.3	(32.6)	-	-	(212.9)
EBITDA margin	(11.4%)	-	-	-	-	-	-	-	-	-	(10.1%)
Net loss	(761.3)	(128.8)	82.8	114.3	(5.7)	63.6	76.3	(32.6)	7.1	34.9	(549.4)
Net margin	(34.2%)	-	-	-	-	-	-	-	-	-	(26.2%)
Net loss attributable to equity holders of the Company	(758.3)	(128.8)	82.8	114.3	(5.7)	47.0	76.3	(32.6)	7.1	36.6	(561.3)
Net margin attributable to equity holders of the Company	(34.0%)	-	-	-	-	-	-	-	-	-	(26.7%)

- (1) Refers to impairment loss of intangible assets and amortization resulting from acquisition, which includes cost of sales of approximately RMB181.3 million, selling and distribution expenses of approximately RMB23.2 million, general and administrative expenses of approximately RMB16.1 million, and other losses of impairment loss of goodwill approximately RMB41.9 million.
- (2) The one-time price concession was included in the revenue from Merchant Solutions, the Group reduced the rebates recognized from media publishers of RMB128,824,000 (the related obligation was performed in 2023) by one-time price concession in 2024. In November 2024, the Group reached mutual agreements with certain media publishers for a one-time price concession on the online marketing support services provided in 2023, taking into account the recent economic environment.

Liquidity and Financial Resources

We fund our cash requirements principally from proceeds from our business operations, bank borrowings, other debt financing and shareholder equity contribution. As of December 31, 2024, we had cash and bank balances of approximately RMB1,779.0 million. The details are as below:

RMB in millions

Cash and bank balances

Financial assets at fair value through profit or loss

Bank wealth management products	57.9
Restricted cash*	526.9
Cash and cash equivalents	1,194.2

Total **1,779.0**

* Restricted cash mainly refers to cash deposited in offshore banks as a guarantee of domestic loans in Renminbi (Onshore Loans against Offshore Guarantees).

The following table sets forth our gearing ratios as of December 31, 2024 and December 31, 2023, respectively.

	As of December 31,	
	2024	2023
	<i>(RMB'000, except percentages)</i>	
Net debt	968,530	1,089,197
Total equity	1,812,756	2,802,254
Total capital	2,781,286	3,891,451
Net debt to equity ratio	53%	39%

As of December 31, 2024, we had bank loan of approximately RMB2,222.7 million. The table below sets forth our main short-term and long-term bank loans and letter of credit:

Bank	Loan balance (RMB in millions)	Loan period	Interest rate (per annum unless otherwise stated)
Short-term bank loans			
Bank of Shanghai (Puxi Branch)	100.00	1 year	4.00%
Bank of Shanghai (Puxi Branch)	248.00	1 year	2.60%
Bank of Shanghai (Puxi Branch)	150.00	1 year	2.50%
Bank of Shanghai (Puxi Branch)	150.00	0.98 year	3.80%
Bank of China (Shanghai Gaojing Branch)	20.00	1 year	3.00%
China Construction Bank (Shanghai Baogang Baoshan Branch)	50.00	1 year	3.35%
China CITIC Bank (Shanghai Branch)	50.00	1 year	3.70%
China CITIC Bank (Shanghai Branch)	100.00	9.13 months	3.60%
Bank of Communications (Shanghai Baoshan Branch)	50.00	5.88 months	3.20%
Bank of Communications (Shanghai Baoshan Branch)	50.00	6 months	2.95%
Bank of Jiangsu (Shanghai Lingang Branch)	50.00	7 months	3.86%
Ping An Bank (Shanghai Branch)	43.45	2.8 months	2.95%
Ping An Bank (Shanghai Branch)	47.38	2.6 months	2.95%
Ping An Bank (Shanghai Branch)	46.87	2.7 months	2.95%
Long-term bank loans – current portion			
Shanghai Innovation Bank	60.00	1.08 years	3.85%
Shanghai Innovation Bank ICBC			
Bank of Shanghai (Puxi Branch)			
Shanghai Pudong Development Bank (Changning Branch)			
China Everbright Bank			
China CITIC Bank	365.00	2 years	3.75%
Bank of Shanghai (Puxi Branch)			
Shanghai Pudong Development Bank (Changning Branch)	24.32	14.98 years	4.00%
Bank of Shanghai (Puxi Branch)			
Shanghai Pudong Development Bank (Changning Branch)	5.90	14.88 years	4.00%

Bank	Loan balance (RMB in millions)	Loan period	Interest rate (per annum unless otherwise stated)
Long-term bank loans			
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	0.44	14.88 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	7.66	14.8 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	17.30	14.64 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	28.78	14.54 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	18.32	14.3 years	3.75%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	7.88	14.21 years	3.75%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	5.26	14.09 years	3.75%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	9.30	14.05 years	3.65%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	18.62	13.97 years	3.65%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	12.20	13.88 years	3.65%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	19.72	13.8 years	3.40%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	13.16	13.7 years	3.40%
Letter of credit			
China Everbright Bank (Shanghai Branch)	100.00	6 months	2.90%
China Zheshang Bank (Shanghai Branch)	50.00	5.9 months	3.80%
China Zheshang Bank (Shanghai Branch)	30.00	6 months	3.80%
China Zheshang Bank (Shanghai Branch)	150.00	6 months	3.00%
Bank of Ningbo (Shanghai Branch)	50.00	0.99 year	3.00%
Shanghai Pudong Development Bank (Changning Branch)	50.00	0.98 year	2.23%
China Zheshang Bank (Shanghai Branch)	20.00	6 months	3.85%

Capital Expenditures

The capital expenditures primarily consist of expenditures for (i) fixed assets, comprising computer equipment, office furniture, vehicles and renovation of rental offices and assets under construction; and (ii) intangible assets, including our trademark, acquired software license, and self-developed software.

The following table sets forth our capital expenditures for the years indicated:

	As of December 31,	
	2024	2023
	<i>(RMB in millions)</i>	
Fixed assets	187.3	140.2
Intangible assets	20.5	181.3
Total	207.8	321.5

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures and Future Plans for Material Investments or Capital Assets

There were no significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the year ended December 31, 2024. Apart from those disclosed in this announcement, there were no plans for material investments or additions of capital assets as at the date of this announcement.

Pledge of Assets

As of December 31, 2024, we have pledged land use rights and property, plant and equipment with the net carrying amount of RMB314,022,000 and RMB414,640,000 to secure the Group's long-term borrowings of RMB188,860,000. The Group is not allowed to pledge these assets as security for other borrowings.

Foreign Exchange Risk Management

We mainly carry out our operations in the PRC with most transactions settled in Renminbi, and we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Therefore, foreign exchange risk primarily arose from our recognized assets and liabilities when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. In 2024, we did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities.

Employees

As of December 31, 2024, we had 3,563 full-time employees, the majority of whom are based in Shanghai, China.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans.

As a matter of policy, we provide a robust training program for new employees that we hire. We also provide regular and specialized trainings both online and offline, tailored to the needs of our employees in different departments. In addition, we provide training curriculums tailored to new employees, current employees and management members based on their roles and skill levels, through our training centre, Weimob University.

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the year ended December 31, 2024

		Year ended December 31	
		2024	2023
	Note	RMB'000	RMB'000
Revenue	4	1,339,255	2,227,684
Cost of sales	5	<u>(742,931)</u>	<u>(744,159)</u>
Gross profit		596,324	1,483,525
Selling and distribution expenses	5	(1,014,048)	(1,551,483)
General and administrative expenses	5	(616,802)	(714,254)
Net impairment losses on financial assets		(91,362)	(30,491)
Other income	6	40,842	85,090
Other (losses)/gains, net	7	<u>(346,114)</u>	<u>123,322</u>
Operating loss		(1,431,160)	(604,291)
Finance costs	8	(273,746)	(151,223)
Finance income	9	12,006	33,889
Share of net losses of associates accounted for using the equity method		(24,909)	(10,479)
Change in fair value of convertible bonds		<u>(69,394)</u>	<u>5,747</u>
Loss before income tax		(1,787,203)	(726,357)
Income tax credit/(expenses)	10	<u>43,253</u>	<u>(34,901)</u>
Loss for the year		<u>(1,743,950)</u>	<u>(761,258)</u>
Loss attributable to:			
– Equity holders of the Company		(1,728,493)	(758,251)
– Non-controlling interests		<u>(15,457)</u>	<u>(3,007)</u>
		<u>(1,743,950)</u>	<u>(761,258)</u>
Other comprehensive loss, net of tax			
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Change in fair value of financial liabilities from own credit risk		<u>(157)</u>	<u>–</u>
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		<u>(1,604)</u>	<u>(6,416)</u>
Total comprehensive loss for the year		<u>(1,745,711)</u>	<u>(767,674)</u>

		Year ended December 31	
		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total comprehensive loss attributable to:			
– Equity holders of the Company		(1,730,254)	(764,667)
– Non-controlling interests		(15,457)	(3,007)
		<u>(1,745,711)</u>	<u>(767,674)</u>
Loss per share attributable to the equity holders of the Company (expressed in RMB per share)			
– Basic loss per share	<i>12</i>	<u>(0.57)</u>	<u>(0.28)</u>
– Diluted loss per share	<i>12</i>	<u>(0.57)</u>	<u>(0.28)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		As at December 31	
		2024	2023
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		451,683	273,802
Right-of-use assets		361,618	398,801
Investment properties		32,100	34,530
Intangible assets		844,460	1,274,654
Deferred income tax assets		63,008	23,555
Contract acquisition cost		21,251	18,814
Investments accounted for using the equity method		263,072	297,581
Financial assets at fair value through profit or loss		511,120	707,404
Prepayments, deposits and other assets	13	4,900	8,964
Total non-current assets		2,553,212	3,038,105
Current assets			
Contract acquisition cost		42,738	96,900
Prepayments, deposits and other assets	13	1,949,373	1,621,631
Trade and notes receivables	14	166,307	353,305
Financial assets at fair value through other comprehensive income		450,490	247,554
Financial assets at fair value through profit or loss		77,383	308,057
Term deposits		–	22,378
Restricted cash		526,930	513,406
Cash and cash equivalents		1,194,203	1,666,760
Total current assets		4,407,424	4,829,991
Total assets		6,960,636	7,868,096

		As at December 31	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		2,298	1,882
Shares held for RSU scheme		(144)	(161)
Share premium		9,449,301	8,784,371
Equity component of convertible bonds		76,842	245,808
Other reserves		(596,843)	(855,915)
Accumulated losses		(7,204,478)	(5,475,828)
		<u>1,726,976</u>	<u>2,700,157</u>
Non-controlling interests		<u>85,780</u>	<u>102,097</u>
Total equity		<u><u>1,812,756</u></u>	<u><u>2,802,254</u></u>
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss		37,595	37,595
Other financial liabilities measured at amortised cost		369,780	126,014
Bank borrowings		158,642	385,520
Lease liabilities		15,556	27,884
Contract liabilities		49,473	54,308
Deferred income tax liabilities		1,576	7,142
Other non-current liabilities	15	2,906	2,906
Total non-current liabilities		<u>635,528</u>	<u>641,369</u>
Current liabilities			
Financial liabilities measured at fair value through profit or loss		21,269	24,063
Other financial liabilities measured at amortised cost		323	1,305,992
Bank borrowings		2,064,104	1,352,723
Lease liabilities		22,394	31,950
Trade and other payables	15	2,187,419	1,434,799
Contract liabilities		204,557	263,375
Current income tax liabilities		12,286	11,571
Total current liabilities		<u>4,512,352</u>	<u>4,424,473</u>
Total liabilities		<u><u>5,147,880</u></u>	<u><u>5,065,842</u></u>
Total equity and liabilities		<u><u>6,960,636</u></u>	<u><u>7,868,096</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Attributable to equity holders of the Company								Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Equity component of convertible bonds RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non- controlling interests RMB'000	
As at January 1, 2024	1,882	8,784,371	(161)	245,808	(855,915)	(5,475,828)	2,700,157	102,097	2,802,254
Comprehensive loss									
Loss for the year	-	-	-	-	-	(1,728,493)	(1,728,493)	(15,457)	(1,743,950)
Currency translation differences	-	-	-	-	(1,604)	-	(1,604)	-	(1,604)
Change in fair value of financial liabilities from own credit risk	-	-	-	-	(157)	-	(157)	-	(157)
Total comprehensive loss for the year	-	-	-	-	(1,761)	(1,728,493)	(1,730,254)	(15,457)	(1,745,711)
Transfer of realized fair value changes that were initially recorded in other comprehensive income to retained earnings	-	-	-	-	157	(157)	-	-	-
Transaction with owners									
Issuance of ordinary shares	197	283,855	-	-	-	-	284,052	-	284,052
Share issuance costs	-	(6,700)	-	-	-	-	(6,700)	-	(6,700)
Issuance of ordinary shares for share-based compensation	4	-	(4)	-	-	-	-	-	-
Share-based compensation expenses for non-controlling shareholders	-	-	-	-	-	-	-	1,539	1,539
Share-based compensation expenses for employees	-	-	-	-	25,490	-	25,490	-	25,490
Transfer of vested RSUs	-	-	21	-	(21)	-	-	-	-
Buy-back of convertible bonds	-	-	-	(245,808)	245,808	-	-	-	-
Recognition of equity component of 2024 Convertible Bonds	-	-	-	171,182	-	-	171,182	-	171,182
Conversion of 2024 Convertible Bonds	215	387,775	-	(94,340)	-	-	293,650	-	293,650
Transaction with non-controlling interests	-	-	-	-	(10,601)	-	(10,601)	(2,399)	(13,000)
Transactions with owners in their capacity for the year	416	664,930	17	(168,966)	260,676	-	757,073	(860)	756,213
As at December 31, 2024	2,298	9,449,301	(144)	76,842	(596,843)	(7,204,478)	1,726,976	85,780	1,812,756

Attributable to equity holders of the Company

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Treasury Shares <i>RMB'00</i>	Shares held for RSU scheme <i>RMB'000</i>	Equity component of convertible bonds <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non-controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
As at January 1, 2023	<u>1,717</u>	<u>7,475,254</u>	<u>(39,110)</u>	<u>(644)</u>	<u>335,474</u>	<u>(905,569)</u>	<u>(4,717,577)</u>	<u>2,149,545</u>	<u>91,501</u>	<u>2,241,046</u>
Comprehensive loss										
Loss for the year	-	-	-	-	-	-	(758,251)	(758,251)	(3,007)	(761,258)
Currency translation differences	-	-	-	-	-	(6,416)	-	(6,416)	-	(6,416)
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,416)</u>	<u>(758,251)</u>	<u>(764,667)</u>	<u>(3,007)</u>	<u>(767,674)</u>
Transaction with owners										
Issuance of ordinary shares	167	1,369,660	-	-	-	-	-	1,369,827	-	1,369,827
Share issuance costs	-	(21,445)	-	-	-	-	-	(21,445)	-	(21,445)
Issuance of ordinary shares for share-based compensation	10	-	-	(10)	-	-	-	-	-	-
Transfer of vested RSUs	-	-	-	493	-	(493)	-	-	-	-
Buy-back of 2021 Convertible Bonds	-	-	-	-	(89,666)	(30,421)	-	(120,087)	-	(120,087)
Cancellation of buy-back shares	(12)	(39,098)	39,110	-	-	-	-	-	-	-
Share-based compensation expenses for non-controlling shareholders	-	-	-	-	-	-	-	-	2,769	2,769
Share-based compensation expenses for employees	-	-	-	-	-	80,035	-	80,035	-	80,035
Transaction with non-controlling interests	-	-	-	-	-	6,949	-	6,949	(6,949)	-
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	2,000	2,000
Derecognition of non-controlling interests from disposal of subsidiaries	-	-	-	-	-	-	-	-	15,783	15,783
Transactions with owners in their capacity for the year	<u>165</u>	<u>1,309,117</u>	<u>39,110</u>	<u>483</u>	<u>(89,666)</u>	<u>56,070</u>	<u>-</u>	<u>1,315,279</u>	<u>13,603</u>	<u>1,328,882</u>
As at December 31, 2023	<u><u>1,882</u></u>	<u><u>8,784,371</u></u>	<u><u>-</u></u>	<u><u>(161)</u></u>	<u><u>245,808</u></u>	<u><u>(855,915)</u></u>	<u><u>(5,475,828)</u></u>	<u><u>2,700,157</u></u>	<u><u>102,097</u></u>	<u><u>2,802,254</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Cash used in operations	(255,209)	(572,899)
Interest received	12,006	34,403
Interest paid	(87,969)	(56,574)
Income tax paid	(1,051)	(634)
	<u>(332,223)</u>	<u>(595,704)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Purchase of investments measured at fair value through profit or loss (current and non-current portion)	(733,602)	(1,614,218)
Proceeds from disposals of investments measured at fair value through profit or loss	950,090	1,876,686
Placements of term deposits	(20,000)	(65,343)
Receipt from term deposits	42,273	44,072
Interest received from term deposits	1,324	595
Interest received from restricted cash	10,482	–
Payment for investment in associates	–	(62,500)
Receipt of dividends from associates	9,600	–
Payment for acquisition of subsidiaries, net of cash acquired	–	(62,649)
Net cash outflow arising from disposal of subsidiaries	–	(3,778)
Prepayment for acquisition of equity interest from non-controlling interest	–	(1,000)
Purchase of property, plant and equipment	(124,674)	(118,656)
Proceeds from disposal of property, plant and equipment	107	1,384
Purchase of intangible assets	–	(910)
Payment for development costs	(20,481)	(180,373)
Loans to related parties	(255,800)	(129,500)
Repayments from related parties	198,220	2,113
Loan to a third party	(9,759)	–
Repayment from a third party	253	25,498
	<u>48,033</u>	<u>(288,579)</u>
Net cash generated from/(used in) investing activities		

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	284,052	1,369,827
Transaction costs of share issuance	(6,700)	(21,445)
Proceeds from issuance of bonds measured at fair value through profit or loss (“FVPL”)	604,061	–
Buy-back of bonds measured at FVPL	(593,011)	(128,798)
Proceeds from issuance of convertible bonds at amortised cost	623,727	–
Buy-back of convertible bonds at amortised cost	(1,473,462)	(475,799)
Transaction costs related to issuance of bonds and convertible bonds	(29,605)	–
Proceeds from bank borrowings	2,915,840	2,408,620
Repayments of bank borrowings	(2,431,900)	(2,491,870)
Payment for borrowings due to a related party	–	(7,226)
Payment for borrowings due to a third party	–	(2,250)
Pre-acquisition dividends paid to non-controlling interests in subsidiaries	–	(4,703)
Principal elements of lease payments	(38,227)	(55,943)
Decrease in deposits pledged for bank borrowings	561,312	219,664
Increase in deposits pledged for bank borrowings	(559,022)	–
Increase in deposits pledged for cross currency swaps	(16,057)	–
Interest received from restricted cash	–	9,632
Capital injection from a non-controlling interest	–	2,000
Acquisition of equity interests from non-controlling interests	(13,000)	–
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(171,992)	821,709
	<hr/> <hr/>	<hr/> <hr/>
Net decrease in cash and cash equivalents	(456,182)	(62,574)
Effect on exchange rate difference	(16,375)	19,231
Cash and cash equivalents at beginning of the year	1,666,760	1,710,103
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	1,194,203	1,666,760
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 GENERAL INFORMATION

Weimob Inc. (the “Company”) was incorporated in the Cayman Islands on January 30, 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “Group”), are principally engaged in providing digital commerce and media services for merchants in the People’s Republic of China (the “PRC”). The Group offers digital commerce services to merchants including software as a service (“SaaS”) products offering, customised software development, software related services, online marketing support services and in-depth operation and marketing services etc.

The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since January 15, 2019 (the “Listing”).

These consolidated financial statements are presented in Renminbi (“RMB”) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 21, 2025.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

(i) *Compliance with HKFRS and the disclosure requirements of HKCO*

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”) Cap. 622.

(ii) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and certain financial assets and liabilities measured at fair value.

(iii) *Going concern basis*

During the year ended 31 December 2024, the Group reported a net loss of RMB1,743,950,000 and net operating cash outflows of RMB332,223,000. As at 31 December 2024, the Group’s total borrowings amounted to RMB2,222,746,000, of which RMB2,064,104,000 were due for repayment within twelve months from 31 December 2024. Meanwhile, the Group’s cash and cash equivalents, restricted cash pledged for bank borrowings, and bank wealth management products that mature within 12 months amounted to RMB1,194,203,000, RMB510,327,000 and RMB57,876,000 respectively, totalling RMB1,762,406,000. The Group’s current liabilities exceeded its current assets by RMB104,928,000.

In addition, the Group did not comply with financial covenant requirements of certain bank borrowings with amount of RMB390,000,000. The non-compliance may cause the relevant bank borrowings, as well as certain other short borrowings of RMB100,000,000 become immediately due for repayment should the lenders exercise their rights to demand immediate repayment under relevant agreements.

In light of such circumstances, the directors of the Company have carefully considered the future liquidity, the performance of the Group, and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from 31 December 2024. The following plans and measures have been implemented to mitigate liquidity pressure and to improve the Group's financial position:

- (1) The management of the Company believes its operating performance and cash flow will improve in 2025 because the Group will continue to implement its business strategy to focus on core business operations, reduce corresponding costs and sales expenses, optimize business processes, and enhance personnel efficiency, accelerate the collection of outstanding trade and other receivables, and optimize working capital utilization in targeted marketing activities.
- (2) The Group has consistently repaid all bank borrowings on schedule and successfully renewed its bank borrowings when necessary in the past. During the year ended 31 December 2024, the Group repaid bank borrowings totaling RMB2,431,900,000 and obtained new bank borrowings of RMB2,915,840,000. As of 31 December 2024, the Group had unutilized financing facilities of RMB92,300,000. Also, in January and February 2025, the Group repaid bank borrowings of RMB592,358,000 upon their maturities and secured new bank borrowings of RMB588,370,000. Management believes that the Group will be able to renew its bank borrowings upon maturity and make drawdown from these unutilized facilities as needed, based on its strong relationships with banks and its historical success in loan renewals. Additionally, the Group will continue to monitor compliance with the covenant requirements of all borrowings and facilities and obtain banks' waivers for any breaches of loan covenants as necessary.
- (3) The Group has been successful in raising funds through private placements and bond issuances in recent years, with the most recent one completed in September 2024. Management is confident it will be able to raise additional funds through issuing shares or convertible bonds to replace short-term borrowings as needed.

The directors have reviewed the Group's cash flow projections prepared by management, covering a period of at least twelve months from 31 December 2024. Based on above plans and measures and considering the underlying bases of management's cash flow forecasts, the directors are confident that the Group will have sufficient financial resources to meet its obligations as they become due in the coming twelve months from 31 December 2024. Accordingly, the directors have concluded that the Group has adequate resources to continue operational existence for the foreseeable future and hence prepared the consolidated financial statements on a going concern basis.

Despite the above, a material uncertainty exists because the Group's ability to continue as a going concern would depend on, inter alia:

- (1) the success in implementing plans and measures to improve the Group's operating performance and cash flows;
- (2) the success in renewing the bank borrowings when they become due and continuously fulfil the covenant requirements of all borrowings and facilities; and
- (3) the success in raising fund through issue of share or convertible bonds.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.2 Changes in accounting policies

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

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2024:

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

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

(ii) *New and amended standards and interpretations not yet adopted*

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on January 1, 2024 and have not been early adopted by the Group:

	New standards, amendments and interpretations	Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	January 1, 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements Project	Annual Improvements to HKFRS Accounting Standards – Volume 11	January 1, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	January 1, 2027
HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	January 1, 2027

For the amendments which are effective after January 1, 2025, according to the assessment made by the management, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss statements. The Group is still in the process of evaluating the impact of adoption of HKFRS 18. For those amendments which have not been effective as of the report date, the Group is still assessing the likely impact of adopting the above new standards. The management of the Group plans to adopt these new standards and amendments to existing standards when they become effective.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company.

The Group structured its operating segments and its service offering by providing integrated products of SaaS and targeting marketing services, to better empower digital transformation for merchants through offering diverse business solution. The Group structured its operation to two segments, subscription solutions and merchant solutions, both in the internal reports to CODM and in the consolidated financial statements of the Group. Subscription solutions mainly comprise the Group’s standard cloud-hosted SaaS products, customised software, and other software related services. Merchant solutions mainly comprise value-added services offered to merchants as part of the holistic solutions to meet merchants’ online digital commerce, marketing and financing needs, including assisting merchants to purchase online advertising traffic in various media platforms, providing in-depth operation and marketing services and credit analytics and recommendation services.

The CODM assesses the performance of the operating segments mainly based on segment revenues and segment gross profit. The revenues from external customers reported to CODM are measured as segment revenues, which are the revenues derived from the customers in each segment. The segment gross profit is calculated as segment revenue minus segment cost of sales. Cost of sales for subscription solutions segment is primarily comprised of employee benefit expenses and other direct services costs. Cost of sales for merchant solutions is primarily comprised of employee benefit expenses, traffic purchase cost and outsourcing service fee.

As at December 31, 2024 and 2023, substantial majority of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the consolidated financial statements. There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the continuing operating segments.

	Subscription solutions RMB’000	Merchant solutions RMB’000	Total RMB’000
Year ended December 31, 2024			
Segment revenue	918,546	420,709	1,339,255
Segment cost of sales	(587,892)	(155,039)	(742,931)
Gross profit	<u>330,654</u>	<u>265,670</u>	<u>596,324</u>
	Subscription solutions RMB’000	Merchant solutions RMB’000	Total RMB’000
Year ended December 31, 2023			
Segment revenue	1,349,404	878,280	2,227,684
Segment cost of sales	(456,803)	(287,356)	(744,159)
Gross profit	<u>892,601</u>	<u>590,924</u>	<u>1,483,525</u>

The following table summarized customers contributing to more than 10% of the total revenue recognized by the Group:

	Year ended December 31	
	2024	2023
Shenzhen Tencent Culture Media Company Limited (“Tencent Media”)	<u>16.6%</u>	<u>20.3%</u>

Except for the revenue generated from Tencent Media where the Group provides merchant solutions to advertisers acting as the agent of Tencent Media and earns rebate, there was no concentration risk as no revenue from a single external customer was more than 10% of the Group’s total revenue for the years ended December 31, 2024 and 2023, respectively.

4 REVENUE

An analysis of the Group’s revenue by category for the years ended December 31, 2024 and 2023, is as follows:

	Year ended December 31	
	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Subscription solutions	918,546	1,349,404
Merchant solutions	<u>420,709</u>	<u>878,280</u>
Total revenue from continuing operations	<u>1,339,255</u>	<u>2,227,684</u>

5 EXPENSES BY NATURE

	Year ended December 31	
	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Employee benefits expenses (a)	1,248,044	1,494,660
Promotion and advertising expenses (b)	229,139	553,643
Depreciation and amortisation of intangible assets and property, plant and equipment	244,027	278,878
Outsourced service fee	197,077	246,086
Advertising traffic cost	54,506	127,129
Server and SMS charges related to subscription solutions revenue	62,124	86,984
Utilities and office expenses	55,372	67,378
Travelling and entertainment expenses	22,024	45,361
Depreciation of right-of-use assets	40,943	42,869
Impairment provision for intangible assets	179,388	20,985
Other consulting fees	11,505	16,484
Auditors’ remuneration	5,420	5,420
Others	<u>24,212</u>	<u>24,019</u>
	<u>2,373,781</u>	<u>3,009,896</u>

(a) For the year ended December 31, 2024, employee benefits expenses consist of RMB19,318,000 amortisation expenses of contract acquisition cost paid and payable to salesmen (2023: RMB35,811,000).

(b) For the year ended December 31, 2024, promotion and advertising expenses mainly consists of (i) RMB117,089,000 amortisation expenses of contract acquisition cost, mainly paid and payable to the Group’s channel partners and other sales agents (2023: RMB354,352,000) and (ii) RMB60,570,000 advertising expenses for the Group, mainly paid and payable to online advertising platforms such as Baidu Online Network Technology (Beijing) Co., Ltd. (2023: RMB126,578,000).

6 OTHER INCOME

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Government grants (a)	29,876	38,851
Super deduction of input VAT (b)	–	31,141
Interest income from restricted cash, term deposits and loan to related and third parties	10,966	15,098
	<u>40,842</u>	<u>85,090</u>

- (a) Government grants mainly represent tax refund entitled to receive and other government grants received. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.
- (b) Pursuant to the ‘Announcement on Relevant Policies for Deepening the Value-added Tax Reform’ (Cai Shui Haiguan [2019] 39) jointly issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, the Group, as a service company, qualifies for additional 10% deduction of input value-added tax (“Super Deduction of input VAT”) from output VAT since April 1, 2019 to December 31, 2023.

7 OTHER (LOSSES)/GAINS, NET

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Gains from repurchase of 2021 Convertible Bonds	–	111,180
Fair value change of non-current financial assets measured at FVPL	(275,504)	59,935
Gain on disposal of subsidiaries	–	7,536
Gain from disposal of short-term investments measured at FVPL	1,672	5,570
Fair value change of current financial assets measured at FVPL	10,143	1,106
Fair value change of listed equity security investments	(6,001)	(33,663)
Foreign exchange losses, net	(23,698)	(13,398)
Fair value change of current financial liabilities measured at FVPL	2,794	(16,790)
Losses on disposals of financial assets measured at FVOCI	(890)	(916)
Fair value change of non-current financial liabilities measured at FVPL	1,044	–
Impairment loss of goodwill	(41,909)	–
Others, net	(13,765)	2,762
	<u>(346,114)</u>	<u>123,322</u>

8 FINANCE COSTS

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Adjustment of amortised cost of 2021 Convertible Bonds due to early redemption	138,401	–
Interest expenses on liability component of convertible bonds	43,595	86,766
Interest expenses on borrowings	68,397	56,855
Interest expenses on put option liability	5,842	7,064
Interest expenses on lease liabilities	2,386	4,705
Issuance cost for 2024 Bonds offering	17,531	–
Modification loss of 2024 Bonds and issuance of 2024 Convertible Bonds	6,026	–
Less: Interest capitalization	(8,432)	(4,167)
	<u>273,746</u>	<u>151,223</u>

9 FINANCE INCOME

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Interest income on bank deposits held for cash management purpose	<u>12,006</u>	<u>33,889</u>

Interest income on bank deposits is presented as “Finance income” where it is earned from financial assets that are held for cash management purposes.

10 TAXATION

(a) Value-added tax

The Group is principally subject to 6% and 13% VAT, and surcharges on VAT payments according to PRC tax law. Majority of the operating entities of the Group, as service companies, qualify for additional 5% or 10% deduction of input value-added tax (“Super Deduction of input VAT”) from output VAT since April 1, 2019 to December 31, 2023 (Note 6(b)).

(b) Income tax

(i) Cayman Islands Income Tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(ii) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax for the year ended December 31, 2024.

(iii) PRC Enterprise Income Tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in the PRC is 25%. Certain subsidiaries of the Group in the PRC are qualified as “high and new technology enterprises” and are subject to a preferential income tax rate of 15% from 2024 to 2027, or 2023 to 2026.

(iv) PRC withholding Tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

As at December 31, 2024 and 2023, the Group has undistributed earnings of RMB127,033,000 and RMB287,978,000 generated from its subsidiaries in PRC, respectively, which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognized as the Company is able to control the timing of distributions from subsidiaries and is not expected to distribute these profits in the foreseeable future.

	Year ended December 31	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax	1,766	2,599
Deferred income tax	(45,019)	32,302
Income tax (credit)/expenses	<u>(43,253)</u>	<u>34,901</u>

11 DIVIDENDS

No dividends have been paid or declared by the Company for the years ended December 31, 2024 and 2023.

12 LOSS PER SHARE

(a) Basic

Basic loss per share for the years ended December 31, 2024 and 2023 are calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares excluding shares held for RSU scheme during the respective years.

	Year ended December 31	
	2024	2023
Net loss attributable to the equity holders of the Company (RMB'000)	(1,728,493)	(758,251)
Weighted average numbers of ordinary shares in issue	<u>3,008,580,229</u>	<u>2,743,589,067</u>
Basic loss per share (expressed in RMB per share)	<u>(0.57)</u>	<u>(0.28)</u>

(b) Diluted

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

For the years ended December 31, 2024 and 2023, bonds and convertible bonds issued by the Company and restricted shares units ("RSUs") granted to employees are considered to be potential ordinary shares. For the years ended December 31, 2024 and 2023, the dilutive potential ordinary shares of convertible bonds and RSUs were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Accordingly, diluted loss per share for the years ended December 31, 2024 and 2023 was the same as basic loss per share of the respective year.

13 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at December 31	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Deposits – third parties	4,900	8,964
Current		
Other receivables in relation to payment on behalf of advertisers – third parties (a)	1,596,266	1,248,948
Prepayments for purchasing advertising traffic	220,871	175,289
Other receivables due from related parties	182,489	207,582
Recoverable value-added tax	130,038	164,454
Deposits – third parties	50,503	44,195
Contract fulfillment cost	27,993	23,143
Prepayments to other vendors	52,334	33,657
Other loan receivables due from a third party	9,506	–
Receivables in relation to value-added tax refund (Note 6(b))	4,731	3,339
Others	10,810	10,673
	2,285,541	1,911,280
Less: provision for impairment of other receivables	(336,168)	(289,649)
	<u>1,949,373</u>	<u>1,621,631</u>

- (a) The Group usually receives advance payment from advertisers before the Group makes prepayment to the media publishers to purchase advertising traffic for the advertisers. The Group also from time to time makes prepayments to the media publishers on behalf of the advertisers without receiving advance payments from the advertisers. These prepayments on behalf of advertisers are recognised as other receivables.

14 TRADE AND NOTES RECEIVABLES

	As at December 31	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables due from third parties	210,758	341,898
Notes receivables	3,849	13,669
Trade receivables due from related parties	3,962	3,962
Less: Provision for impairment of trade and notes receivables	(52,262)	(6,224)
	<u>166,307</u>	<u>353,305</u>

The Group usually grants a credit period of 30 to 90 days to its customers. Aging analysis of trade and notes receivables (before allowance for doubtful debts) based on recognition date is as follows:

	As at December 31	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 90 days	157,878	347,364
90 – 180 days	5,717	525
Over 180 days	54,974	11,640
	<u>218,569</u>	<u>359,529</u>

As at December 31, 2024 and 2023, the carrying amounts of trade and notes receivables were primarily denominated in RMB and approximated their fair values.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

15 TRADE AND OTHER PAYABLES

	As at December 31	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Payable related to business acquisition (a)	2,906	2,906
Current		
Advance from advertisers – third parties	908,179	577,617
Payroll and welfare payables	264,191	346,431
Other taxes payable	104,077	126,725
Commission payable	60,517	88,588
Payable related to investments and business acquisitions (a)	84,062	84,062
Payable related to property, plant and equipment	129,790	75,019
Advance from subscription solution channel partners	50,981	59,698
Trade payables related to subscription solutions (b)	48,882	20,450
Trade payables for purchasing advertising traffic (b)	485,312	11,472
Auditors' remuneration accrual	3,000	3,000
Amounts due to related parties	5	8
Deposits	11,197	13,112
Other payables and accruals	37,226	28,617
	<u>2,187,419</u>	<u>1,434,799</u>
Total	<u><u>2,190,325</u></u>	<u><u>1,437,705</u></u>

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(a) As at December 31, 2024, payable related to investments and business acquisitions comprised payable related to the acquisition of Xiangxinyun of RMB21,765,000, the acquisition of Heading of RMB61,297,000, the acquisition of Guangzhou Xiangminiao Internet Technology Co., Ltd. (“Xiangminiao”) of RMB2,906,000 and certain new small investments with total payable balance of RMB1,000,000. For payable related to Xiangminiao, RMB2,906,000 is classified as non-current payable as it will be paid when Xiangminiao becomes profitable.

(b) As at December 31, 2024 and 2023, the aging of the trade payables is all within 3 months.

16 SUBSEQUENT EVENT

In January 2025, principal amount of USD39,800,000 of the 2024 Convertible Bonds were converted into ordinary shares of the Company at conversion price of HKD1.30 per ordinary share. The carrying amount of the liability component with early redemption option and equity component immediately before the conversions were USD32,751,000 (equivalent to approximately RMB235,432,000) and USD10,664,000 (equivalent to approximately RMB75,700,000), respectively. The conversions resulted in the increases in share capital, share premium and total equity of USD24,000 (equivalent to approximately RMB172,000), USD43,391,000 (equivalent to approximately RMB311,916,000) and USD32,751,000 (equivalent to approximately RMB235,432,000), respectively.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is the extract of the independent auditor’s report from the external auditor of the Company:

Opinion

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

Material Uncertainty Related to Going Concern

We draw your attention to Note 2.1 to the consolidated financial statements, which indicates that, during the year ended 31 December 2024, the Group reported a net loss of RMB1,743,950,000 and net operating cash outflows of RMB332,223,000. As at 31 December 2024, the Group’s total borrowings amounted to RMB2,222,746,000, of which RMB2,064,104,000 were due for repayment within twelve months from 31 December 2024. Meanwhile, the Group’s cash and cash equivalents, restricted cash pledged for bank borrowings, and bank wealth management products that mature within 12 months amounted to RMB1,194,203,000, RMB510,327,000 and RMB57,876,000 respectively, totalling RMB1,762,406,000. The Group’s current liabilities exceeded its current assets by RMB104,928,000. In addition, the Group did not comply with the financial covenant requirements of certain bank borrowings that may cause the relevant bank borrowings and certain other short-term borrowings become immediately due and payable should the lenders exercise their rights to demand immediate repayment under the agreements. These conditions, along with other matters described in Note 2.1, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

References are made to the announcements of the Company dated April 19, 2024 and April 26, 2024, respectively. On April 26, 2024, the Company completed the placing of a total of 277,000,000 new shares of the Company (the “**2024 Placing**”). The closing price of the shares of the Company (the “**Shares**”) as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the trading day on which the placing agreement was signed (i.e. April 18, 2024) was HK\$1.36 per Share, and the placing price was HK\$1.13 per Share. The gross proceeds from the 2024 Placing were approximately HK\$313.0 million. The net proceeds from the 2024 Placing were approximately HK\$308.0 million. For more information on the use of such net proceeds, see “Use of Proceeds from Issue of the 2021 Convertible Bonds, the 2023 Placing, the 2024 Placing and the 2024 Convertible Bonds” below.

The new Shares were placed to not less than six professional investors who, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, together with their respective ultimate beneficial owners, are independent third parties. None of the places and their ultimate beneficial owners became a substantial shareholder of the Company as a result of the 2024 Placing. The 2024 Placing was undertaken to strengthen the Company’s financial position and supplement the Group’s long-term funding of its expansion and growth plan. The intended use of proceeds was in line with the Company’s strategic focus on enhancing its technological advantages and strengthening its leadership in targeted marketing. The Directors consider that the 2024 Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

ISSUE OF THE 2024 CONVERTIBLE BONDS

References are made to the announcements of the Company dated August 30, 2024, September 5, 2024 and September 6, 2024, respectively. On September 5, 2024, the Weimob Investment Limited (the “**Bond Issuer**”), a wholly-owned subsidiary of the Company, completed the issue of convertible bonds in an aggregate principal amount of US\$90,000,000 with the guarantee provided by the Company (the “**2024 Convertible Bonds**”). The last closing price of the Shares as quoted on the Stock Exchange on the trading day on which the placing agency agreement was signed (i.e. August 29, 2024) was HK\$1.22 per Share, and the initial conversion price is HK\$1.30 per Share. Based on such initial conversion price and assuming full conversion of the 2024 Convertible Bonds at the initial conversion price, the 2024 Convertible Bonds will be convertible into a maximum of 542,090,769 new Shares. The gross proceeds from the issue of the 2024 Convertible Bonds were approximately US\$88 million. The net proceeds from the issue of the 2024 Convertible Bonds were approximately US\$86 million. For more information on the use of such net proceeds, see “Use of Proceeds from Issue of the 2021 Convertible Bonds, the 2023 Placing, the 2024 Placing and the 2024 Convertible Bonds” below. Based on such net proceeds and assuming the full conversion of the 2024 Convertible Bonds, the net price per new Share is approximately HK\$1.25.

The 2024 Convertible Bonds have been offered and sold to no less than six independent places (who are independent individual, corporate and/or institutional investors). The 2024 Convertible Bonds were listed on the Stock Exchange on September 6, 2024.

During the year ended December 31, 2024, the Company received conversion notices from the bondholders in relation to the exercise of the conversion rights attached to the 2024 Convertible Bonds, to convert the 2024 Convertible Bonds in the principal amount of US\$2.0 million, US\$10.0 million, US\$4.8 million, US\$4.0 million, US\$2.2 million, US\$0.6 million, US\$13.2 million, US\$3.6 million, US\$6.2 million, US\$1.0 million and US\$2.0 million, respectively, at the conversion price of HK\$1.3 per Share (the “**Conversions**”). Accordingly, 12,046,461 Shares, 60,232,307 Shares, 28,911,505 Shares, 24,092,923 Shares, 13,251,107 Shares, 3,613,938 Shares, 79,506,646 Shares, 21,683,630 Shares, 37,344,029 Shares, 6,023,230 Shares and 12,046,461 Shares (the “**Conversion Shares**”) were allotted to the respective bondholders on October 10, 2024, October 14, 2024, October 16, 2024, October 18, 2024, October 21, 2024, November 1, 2024, November 5, 2024, November 14, 2024, November 26, 2024, December 9, 2024 and December 30, 2024, respectively, pursuant to the terms and conditions of the 2024 Convertible Bonds. As a result of the Conversions, the Company allotted and issued a total of 298,752,237 Conversion Shares under the general mandate, representing approximately 8.85% of the number of issued Shares as enlarged by the allotment and issue of the Conversion Shares. Save as disclosed in this announcement, there had not been any exercise of the 2024 Convertible Bonds for the year ended December 31, 2024, and no redemption right had been exercised by the bondholders or the Company for the same period.

USE OF PROCEEDS FROM ISSUE OF THE 2021 CONVERTIBLE BONDS, THE 2023 PLACING, THE 2024 PLACING AND THE 2024 CONVERTIBLE BONDS

In June 2021, the Bond Issuer completed the issue of the 2021 Convertible Bonds and raised net proceeds of approximately US\$293.6 million. As of December 31, 2024, the Company had utilized US\$252.8 million as intended. The table below sets out the details of actual usage of the net proceeds as of December 31, 2024:

Use of proceeds	Net proceeds utilized up to December 31, 2024 <i>(US\$ million)</i>	Unutilized net proceeds as of December 31, 2024 <i>(US\$ million)</i>	Expected timeline of full utilization
Improving the Group’s comprehensive research and development capabilities	106.0	40.8	By December 31, 2025
Upgrading the Group’s marketing system	44.0	–	Not applicable
Supplementing capital for potential strategic investment and merger and acquisition and working capital	58.8	–	Not applicable
General corporate purposes	44.0	–	Not applicable

In January 2023, the Company completed the placing of a total of 248,000,000 new Shares (the “**2023 Placing**”) and raised net proceeds of approximately HK\$1,568.7 million. As of December 31, 2024, the Company had utilized HK\$1,411.8 million as intended. The table below sets out the details of actual usage of the net proceeds as of December 31, 2024:

Use of proceeds	Net proceeds utilized up to December 31, 2024 (HK\$ million)	Unutilized net proceeds as of December 31, 2024 (HK\$ million)	Expected timeline of full utilization
Improving the Group’s comprehensive research and development capabilities	–	156.9	By December 31, 2025
Upgrading the Group’s marketing system	313.7	–	Not applicable
Supplementing working capital	470.6	–	Not applicable
General corporate purposes	627.5	–	Not applicable

In April 2024, the Company completed the 2024 Placing and raised net proceeds of approximately HK\$308.0 million. As of December 31, 2024, the Company had fully utilized such net proceeds as intended for refinancing of existing indebtedness. The table below sets out the details of actual usage of the net proceeds as of December 31, 2024:

Use of proceeds	Net proceeds utilized up to December 31, 2024 (HK\$ million)	Unutilized net proceeds as of December 31, 2024 (HK\$ million)	Expected timeline of full utilization
Refinancing of existing indebtedness	308.0	–	Not applicable

In September 2024, the Bond Issuer completed the issue of the 2024 Convertible Bonds and raised net proceeds of approximately US\$86.0 million. As of December 31, 2024, the Company had fully utilized such net proceeds as intended for refinancing of existing indebtedness. The table below sets out the details of actual usage of the net proceeds as of December 31, 2024:

Use of proceeds	Net proceeds utilized up to December 31, 2024 (US\$ million)	Unutilized net proceeds as of December 31, 2024 (US\$ million)	Expected timeline of full utilization
Refinancing of existing indebtedness	86.0	–	Not applicable

The expected timeline for fully utilizing net proceeds is based on the best estimation of the future market conditions made by the Company. It may be subject to change based on the current and future development of market conditions.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from May 13, 2025 to May 16, 2025, both days inclusive, in order to determine the identity of the shareholders of the Company who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on May 12, 2025.

CORPORATE GOVERNANCE

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 principles and code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

During the year ended December 31, 2024, the Company has complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision C.2.1 of the Corporate Governance Code.

Code provision C.2.1 of the Corporate Governance Code requires that the roles of chairman of the board of directors and chief executive officer should be separate and should not be performed by the same individual. Mr. SUN Taoyong is the Chairman of the Board and chief executive officer of the Company. Throughout the business history of the Company, Mr. SUN Taoyong has been the key leadership figure of the Group, who has been primarily involved in the strategic development, overall operational management and major decision making of the Group. Taking into account the continuation of the implementation of the Company's business plans, the Directors consider that at the current stage of development of the Group, vesting the roles of both Chairman of the Board and the chief executive officer in Mr. SUN Taoyong is beneficial and in the interests of the Company and its shareholders as a whole. The Board will review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

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 year ended December 31, 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended December 31, 2024, the Company has not purchased any of its Shares on the Stock Exchange pursuant to the share buy-back mandates approved by our shareholders at the annual general meetings of the Company held on June 21, 2023 and May 10, 2024.

On April 18, 2024, the Bond Issuer and the Company entered into the dealer manager agreement (the “**Dealer Manager Agreement**”) with the Merrill Lynch (Asia Pacific) Limited (the “**Dealer Manager**”) pursuant to which the Dealer Manager has been appointed in connection with the proposed repurchase of the outstanding 2021 Convertible Bonds (the “**Remaining Convertible Bonds**”) to, amongst others, assist the Bond Issuer and the Company in collecting indications of interest from holders of the Remaining Convertible Bonds who are willing to sell their Remaining Convertible Bonds to the Bond Issuer and the Company. On April 19, 2024, the Company has, through the Dealer Manager, received commitments from eligible bondholders to sell approximately US\$182.83 million in aggregate principal amount of the Remaining Convertible Bonds to the Company. In addition to the commitments, the Company has received further invites to repurchase the Remaining Convertible Bonds after April 19, 2024. On April 29, 2024, all the conditions to the repurchase as set out in the Dealer Manager Agreement have been satisfied, and the 2021 Convertible Bonds with principal amount of approximately US\$195.82 million were repurchased at a repurchase price of US\$1,030.40 per US\$1,000 in principal amount.

Pursuant to the announcement of the Company dated June 13, 2024, notices of redemption by bondholders have been served on the Company requiring the Company to redeem all the outstanding 2021 Convertible Bonds (amounting to an aggregate principal amount of approximately US\$5.39 million) at a redemption price of US\$206,075.50 per US\$200,000 in principal amount on June 7, 2024. As of June 13, 2024, all of the 2021 Convertible Bonds have been cancelled and there were no outstanding 2021 Convertible Bonds in issue. Accordingly, the Company has made an application to the Stock Exchange for the withdrawal of the listing of the 2021 Convertible Bonds. Such withdrawal of listing has been effective since the close of business on June 21, 2024.

On April 29, 2024, the US\$85,000,000 7.5 per cent. bonds due 2029 were issued by the Bond Issuer and listed on the Singapore Stock Exchange (the “**SGX**”), which are guaranteed by the Company, with ISIN of XS2807096545 and Common Code of 280709654 (the “**2024 Bonds**”). The repurchase of the 2024 Bonds was completed on September 5, 2024. For further details, please refer to the announcements published on the SGX.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury Shares, if any) during the year ended December 31, 2024. As at December 31, 2024, the Company did not hold any treasury Shares.

SUBSEQUENT EVENTS

In January 2025, principal amount of USD39,800,000 of the 2024 Convertible Bonds were converted into ordinary shares of the Company at conversion price of HKD1.30 per ordinary share. The carrying amount of the liability component with early redemption option and equity component immediately before the conversions were USD32,751,000 (equivalent to approximately RMB235,432,000) and USD10,664,000 (equivalent to approximately RMB75,700,000), respectively. The conversions resulted in the increases in share capital, share premium and total equity of USD24,000 (equivalent to approximately RMB172,000), USD43,391,000 (equivalent to approximately RMB311,916,000) and USD32,751,000 (equivalent to approximately RMB235,432,000), respectively.

Save as disclosed in this announcement, there are no material subsequent events undertaken by the Group after December 31, 2024 and up to the date of this announcement.

AUDIT COMMITTEE

The Board has established the Audit Committee (the “**Audit Committee**”), comprising of three independent non-executive Directors, namely, Mr. TANG Wei (Chairman), Mr. LI Xufu and Ms. XU Xiao’ou. The primary duties of the Audit Committee are to review and supervise our Company’s financial reporting process, risk management and internal controls.

The Audit Committee has, together with the senior management of the Company and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group as well as the audited consolidated financial statements of the Group for the year ended December 31, 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

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

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.weimob.com). The annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be published on the above websites in due course.

By Order of the Board
Weimob Inc.
SUN Taoyong
Chairman of the Board and Chief Executive Officer

Shanghai, the PRC
March 21, 2025

As at the date of this announcement, the Board comprises Mr. SUN Taoyong, Mr. FANG Tongshu, Mr. YOU Fengchun and Mr. FEI Leiming as executive Directors; and Mr. LI Xufu, Mr. TANG Wei and Ms. XU Xiao'ou as independent non-executive Directors.