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Maoyan Entertainment

貓眼娛樂

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

**(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR
ENDED DECEMBER 31, 2024
(2) FINAL DIVIDEND AND DIVIDEND PAYMENT PLAN
FOR NEXT THREE YEARS (2025-2027)**

The board of directors (the “**Board**”) of Maoyan Entertainment (the “**Company**”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and the Consolidated Affiliated Entities (the “**Group**”) for the year ended December 31, 2024. The consolidated financial statements for the year ended December 31, 2024 have been audited by the auditor of the Company in accordance with International Standards on Auditing, and the results have been reviewed by the Audit Committee.

PERFORMANCE HIGHLIGHTS

	Year ended December 31,		Year-on-year
	2024	2023	change
	<i>RMB million</i>	<i>RMB million</i>	%
Revenue	4,082.2	4,757.4	(14.2)
Gross profit	1,625.0	2,384.9	(31.9)
Operating profit	195.9	1,098.2	(82.2)
Profit for the year	181.9	907.8	(80.0)
Adjusted EBITDA	361.6	1,249.7	(71.1)
Adjusted net profit ^(Note)	309.6	1,029.0	(69.9)

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

FINAL DIVIDEND

The Board recommended the payment of a final dividend HK\$0.32 per Share for the year ended December 31, 2024. Subject to the approval by the Shareholders at the annual general meeting to be held on June 25, 2025, the final dividend will be paid on or around August 22, 2025 to the Shareholders whose name appear on the register of member of the Company at the close of business on July 4, 2025.

The dividend will be paid to all Shareholders on an all-cash basis by default. Eligible shareholders will also be provided with an option to receive the final dividend wholly in the form of new fully paid Shares in lieu of cash. The scheme is conditional upon the passing of the relevant resolution at the AGM and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the scheme. Shareholders not making any election will be receiving the whole dividend in cash. For the avoidance of doubt, Shareholders cannot elect to receive the final dividend partly in cash and partly in the form of new Shares, except for Hong Kong Securities Clearing Company Nominees Limited which may elect to receive its entitlement partly in cash and partly in the form of new Shares.

Pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance(Chapter 571 of the Laws of Hong Kong), the Company hereby announces its commitment to creating long-term value for the Shareholders and enhancing their returns. Based on the rules as determined under the Dividend Policy adopted on March 25, 2019 and subject to the factors set out therein, in the event the Company decides to recommend or declare dividends for the financial years 2025, 2026, and 2027, the Company targets to distribute no less than 20% of the profit attributable to owners of the Company for the relevant financial years.

BUSINESS REVIEW

According to the data released by the China Film Administration (國家電影局) for 2024, the total box office nationwide reached RMB42.502 billion, representing a decrease of 22.6% compared to 2023. The offline performance market maintained its growth trend, with commercial performance box office revenue nationwide reaching RMB57.954 billion for the full year, reflecting a year-on-year increase of 15.37%, according to the National Performance Market Development Briefing for 2024 (《2024全國演出市場簡報》) released by the China Association of Performing Arts (中國演出行業協會).

During the Reporting Period, the number of released movies in which the Company was involved and their box office performance continued to rank at the top among industry leaders. With our enhanced promotion and distribution service capabilities, the movies for which we acted as a lead distributor reached record highs at the box office contribution. Our live entertainment business continued to outperform the overall market in both revenue and GMV growth, further strengthening our market competitiveness. By continuing to optimize the revenue structure, the Company maintained its profitability.

Entertainment content services

As a leading promoter and distributor of domestic movies, as well as a premier movie producer and self-developer in China, we actively serve the industry and contribute to the distribution, production and development of various genres of domestic movies. In 2024, we were involved in a total of 63 released domestic movies, achieving a cumulative box office of approximately RMB23.2 billion, with both the number of films we participated in and the market share reaching historic highs for the same period. We also increased the number of top-tier movies we participated in and deepened our presence. Out of the top 10 domestic films in terms of box office in 2024, Maoyan was involved in the production/distribution of 8 movies, including 6 movies for which we acted as a lead distributor.

During the Reporting Period, we continued to refine our promotion and distribution capabilities and methodologies, while maintaining a keen sense of market conditions and project evaluation. From early-stage insights into themes, release dates, and evolving user demands to refined operations, we continued to improve and streamline our promotion and distribution capabilities, product systems, and organizational development. We also further standardized our promotion and distribution processes, covering various areas including pre-release marketing, short videos, materials, and collaborative promotion and distribution coordination. At the same time, we persisted in iterating and optimizing our product promotion and distribution capabilities, embraced new technologies and capabilities, and continued exploring synergies among various industries. For instance, we collaborated with mainstream platforms including Baidu, Tencent, and Douyin on AI technology applications in a number of movies, effectively enhancing the movies' promotional effects and user engagement.

Leveraging our high-quality promotion and distribution services, as well as our long-standing and ever-growing movie selection and data capabilities, during the Reporting Period, we participated in the promotion and distribution of 60 domestic movies, among which we acted as a lead distributor for 36 domestic movies, setting new records in terms of both the number of movies and the box office. Many of these movies performed exceptionally well in the following release periods:

- During the 2024 New Year, *Shining For One Thing* (一閃一閃亮星星), *Johnny Keep Walking!* (年會不能停!) and *The Goldfinger* (金手指), for which we acted as a lead distributor/producer ranked among the top three in box office for the release period.
- During the 2024 Labour Day Holiday, *The Last Frenzy* (末路狂花錢), for which we acted as the lead distributor/producer ranked second in box office for the release period.
- During the 2024 Dragon Boat Festival, *Be My Friend* (我才不要和你做朋友呢), for which we acted as a lead distributor/producer ranked No. 1 in box office, respectively for the release period.
- During the 2024 summer movie season, *Successor* (抓娃娃) and *A Place Called Silence* (默殺), for which we acted as a lead distributor/producer ranked first and second in box office for the release period.
- During the 2024 National Day, *The Volunteers: The Battle of Life and Death* (志願軍：存亡之戰), for which we acted as a lead distributor/producer ranked first in box office for the release period.

Moreover, several of the aforementioned movies won or were nominated for awards at the Hundred Flowers Awards (大眾電影百花獎), the China Golden Rooster Awards (中國電影金雞獎), the Changchun Film Festival (長春電影節), the Hong Kong Film Awards (香港金像獎), the Asian Film Awards (亞洲電影大獎), and the Tokyo International Film Festival (東京國際電影節).

In particular, during the last five consecutive Spring Festivals, from 2021 to 2025, movies for which we acted as a lead distributor achieved outstanding performances and claimed the top two spots in the corresponding film seasons, including *DETECTIVE CHINATOWN 1900* (唐探1900) in 2025, *Pegasus 2* (飛馳人生2) in 2024, *Full River Red* (滿江紅) (ranking No. 7 in China's movie history) in 2023, *Too Cool To Kill* (這個殺手不太冷靜) in 2022, and *Hi, Mom* (你好，李煥英) (ranking No. 4 in China's movie history) in 2021. These successes again demonstrated our consistent and reliable ability to identify and capture high-quality content.

We continued to focus on self-production and creation, strengthened our own IP development, and enhanced our ability to develop and produce excellent content achieving further breakthroughs in the production domain. During the Reporting Period, we successively released several self-produced movies including *A Place Called Silence* (默殺), *The Umbrella Fairy* (傘少女), *Go For Broke* (重生), *Panda Plan* (熊貓計劃), and *Honey Money Phony* (「騙騙」喜歡你). Many of these movies achieved outstanding box office performance and reputation, including:

- *A Place Called Silence* (默殺) grossed RMB1.351 billion at the box office, making it the second-highest grossing film of the 2024 summer movie season, and received multiple awards and nominations at the 37th Tokyo International Film Festival (第37屆東京國際電影節) and the 19th Changchun Film Festival (第19屆長春電影節).
- *Panda Project* (熊貓計劃) is the best family bonding movie for the National Day season.
- *Honey Money Phony* (「騙騙」喜歡你) achieved outstanding box office performance during the 2024 New Year's Eve and 2025 New Year's Day seasons, ranking the third-highest box office revenue in both periods.

Furthermore, we remain committed to the animated film industry with a long-term, patient approach. To date, we have made strategic investments and taken concrete steps in talent development, deep collaboration with content creators, IP incubation and growth, technological innovation, and capacity expansion. This year, *Endless Journey of Love* (時間之子), the first 3D animated movie that we self-produced, is set to meet the audience on May 30, 2025. Furthermore, we involve in the production/distribution of animated movies that have either already been or are about to be scheduled, such as *Nobody: Lang Lang Ago* (小妖怪的夏天). Moving forward, we will continue to invest and remain committed to creating long-term value in animation movies.

Currently, a series of movies for which we acted as a distributor/producer are already released, such as, *The Dumpling Queen* (水餃皇后), *A Gilded Game* (獵金•游戲), *Endless Journey of Love* (時間之子), *The Litchi Road* (長安的荔枝) and *Panda Plan 2* (熊貓計劃2). Furthermore, we continue to maintain a diverse and abundant pipeline of movie content covering varied themes. An array of movies in our pipeline are steadily progressing, such as, *De Xian Jin Zhi* (得閑謹制), *Malice* (惡意), *Intercross* (人•魚), *VANISHED PEOPLE* (消失的人), *The Adventure* (奇遇) and *Nobody: Lang Lang Ago* (小妖怪的夏天), as well as several of our self-produced films, such as *Running In The Rain* (千金不換), and *Casual Revenge* (即興謀殺).

Online Entertainment Ticketing Services

Since 2024, the offline performance market has maintained rich supply and strong demand. We have consistently invested in and developed our offline performance ticketing business, further enhancing our market competitiveness. During the Reporting Period, the total revenue and GMV of our offline performances reached new highs compared to the same period in previous years. As for large-scale performance events, in addition to continuing to provide ticketing services for several top-tier domestic artists' tours, including Jacky Cheung, Eason Chan, and Jay Chou, we also provided high-quality ticketing and on-site services for various top-tier international artists' concerts in China, including Kanye West and Mariah Carey. During the Reporting Period, the GMV of concerts for which Maoyan provided ticketing services grew by approximately 90% year-on-year. For local performance events, our market share continued to increase, and the category coverage of our services continues to grow and evolve. For instance, we actively promoted the online penetration of local Quyi shows, with their GMV increasing by approximately 90% year-on-year. We also supported cultural activities organised by local governments by distributing millions of consumption vouchers, driving GMV growth of over RMB10 million. In overseas regions, in addition to support services for various performances in Hong Kong through the Urban Ticketing System (城市售票網), we continued to expand the performance lineup of our self-operated ticketing platform, UUTIX, in the Hong Kong and Macau regions, serving multiple performances, including Macau 2049 (澳門2049) directed by Zhang Yimou (張藝謀) and ComplexCon Hong Kong. We have also established long-term ticketing business partnerships with several entertainment groups in Macau. In addition, we have actively explored cooperation opportunities in multiple regions, including Southeast Asia, the Middle East, and Latin America, and have established in-depth cooperation with several apps in these local regions. We will continue to strengthen our partnerships in the performance business going forward.

In 2024, we continued to provide high-quality movie ticketing services to the industry, maintaining our market-leading position and continuously strengthening our competitiveness. During the Reporting Period, we continued to enrich our product offerings with "Cloud Block Booking" (雲包場) and other services, exploring and satisfying our users' diverse needs. In addition, we proactively expanded into new ticketing scenarios by leveraging emerging formats such as live streaming and merchandise promotions to broaden our user service coverage. Furthermore, we continued to enhance our service capabilities for film festivals and government cultural activities. During the Reporting Period, Maoyan served as the official ticketing platform for the 14th Beijing International Film Festival (第十四屆北京國際電影節) for the fourth consecutive year. We also provided ticketing and special promotions for multiple film festivals, including the 49th Hong Kong International Film Festival (第49屆香港國際電影節), the 11th Silk Road International Film Festival (第11屆絲綢之路國際電影節), and the 6th Hainan Island International Film Festival (第6屆海南島國際電影節). Furthermore, we conducted various public welfare activities at the provincial, municipal, and district levels across the country, including movie ticket discounts, a combination of movies and performance, and "savoring food through movies" (跟著電影品美食) campaigns.

Advertising Services and Others

In terms of promotional and marketing services, we fully leveraged our resource integration capabilities and deepened cooperation with a number of internet platforms. Leveraging our strategic foresight and advantages in products and resources, we expanded our audience reach to lower-tier markets and provided rich advertising promotions for films. During the Reporting Period, we upgraded our comprehensive live streaming marketing services, further diversifying our commercial offerings to boost online film promotions. These efforts generated over RMB10 million in commercialization revenue. To date, our content matrix has attracted a total number of more than 80 million fans.

We continue to serve the movie industry with our "technology + big data" approach, while also keeping abreast of the integration of AI technology into the film and television industry. During the Reporting Period, we independently developed AI film creation software, designed to perform intelligent script analysis, intelligent character creation and other functions, effectively enhancing the efficiency of front-end script creation and communication processes. At the same time, we collaborated with multiple AI companies in the industry to jointly explore and advance the application of AI technology in animation production and visual storytelling.

Maoyan Pro (貓眼專業版) continues to update and iterate its tool products, leading to a steady increase in industry influence, with the daily average visits reaching a historic high during the 2025 Spring Festival season. Maoyan Pro's global box office data service was further upgraded with more accurate and timely global box office data. This service currently covers major markets including North America, Japan, South Korea, the UK, and Australia, offering the industry a comprehensive and precise reference for global box office performance. As the first authoritative data and information platform in the industry to provide information on domestic movies' overseas release and box office performance, Maoyan Pro has become a key resource for the domestic film and television industry to gauge market performance abroad. Furthermore, during the Reporting Period, we officially launched Maoyan Pro's PC Professional Edition, providing multi-dimensional and scenario-based data query combinations. This upgrade helps our industry partners better formulate their promotion and distribution strategies.

Maoyan Research Institute remains committed to leveraging precise and scientific data analysis to provide in-depth, systematic data services for films at every stage of their lifecycle, by closely monitoring market trends, audience preferences, and consumption habits. During the Reporting Period, Maoyan Research Institute published an array of data insights and analysis reports on audience profiles, viewing demands, and audience sentiments during multiple key seasons. Concurrently, Maoyan Research Institute actively expanded its early-stage user research, furnishing concept testing and IP research services for movie projects in development. This helps to keep the industry informed of audience feedback, thereby influencing content creation at its source.

OUTLOOK

As of March 26, 2025, the total box office for the domestic film market in 2025 had exceeded RMB24.2 billion. Notably, six movies, including *NE ZHA 2* (哪吒之魔童鬧海), were released during the Spring Festival season. Their total box office reached RMB9.51 billion with 187 million movie viewers, both setting new records for the Spring Festival season.

As a key participant in China's film industry, we will adhere to the core development strategy of "Technology + Pan-entertainment" to deepen our presence in the pan-entertainment industry. With a firm commitment to improving our core competitiveness and profitability, we will uphold our original aspiration of serving the entire entertainment ecosystem, while driving high-quality development in the cultural and entertainment industry and making positive contribution to the development of a culture powerhouse.

- We will continue to strengthen our strategic investment in the entertainment content business, further solidifying our leading advantages and capabilities in movie promotion and distribution. We will also deepen our participation in the distribution and production of blockbusters. Moreover, we will remain committed to the long-term development of animated movies, as well as value creation.
- Live entertainment remains one of our Company's strategic development priorities. We will closely track market trends while continuing to increase our long-term investment in our performance business, enhancing our infrastructure and service capabilities to further strengthen our market competitiveness. At the same time, building on our existing platforms and business collaborations in Hong Kong and Macau, we will further expand commercial cooperation in these regions and beyond as we seek new growth opportunities and possibilities for the Company's development.
- Furthermore, we will continue to explore and expand innovative business opportunities, such as the integration of AI technology into film creation and new collaborative scenarios with cinemas and other partners.

Last but not least, we would like to express our sincere gratitude to all of our colleagues, shareholders, and industry partners for their trust and support. Let us forge ahead together and propel the high-quality development of the film industry, advancing China's transformation into a cinematic powerhouse.

FINANCIAL HIGHLIGHTS

Our revenue decreased by 14.2% to RMB4,082.2 million in 2024 from RMB4,757.4 million in 2023. Our gross profit decreased by 31.9% to RMB1,625.0 million in 2024 from RMB2,384.9 million in 2023. Our profit for the year in 2023 was RMB907.8 million whereas our profit for the year in 2024 was RMB181.9 million, representing a year-over-year decrease of 80.0%. Our adjusted EBITDA in 2024 was RMB361.6 million, decreasing from adjusted EBITDA of RMB1,249.7 million in 2023, representing a year-over-year decrease of 71.1%. Our adjusted net profit^(Note) was RMB309.6 million in 2024, decreasing from adjusted net profit^(Note) of RMB1,029.0 million in 2023, representing a year-over-year decrease of 69.9%.

MANAGEMENT DISCUSSION AND ANALYSIS

2024 Review

	Year ended December 31,			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Revenue	4,082.2	100.0	4,757.4	100.0
Cost of revenue	<u>(2,457.2)</u>	<u>(60.2)</u>	<u>(2,372.5)</u>	<u>(49.9)</u>
Gross profit	1,625.0	39.8	2,384.9	50.1
Selling and marketing expenses	(939.8)	(23.0)	(842.5)	(17.7)
General and administrative expenses	(363.3)	(8.9)	(371.6)	(7.8)
Net impairment losses on financial assets	(129.6)	(3.2)	(120.5)	(2.5)
Other income	44.2	1.1	51.1	1.1
Other losses, net	<u>(40.6)</u>	<u>(1.0)</u>	<u>(3.2)</u>	<u>(0.1)</u>

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

	Year ended December 31,			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Operating profit	195.9	4.8	1,098.2	23.1
Finance income	121.4	3.0	81.0	1.7
Finance costs	(9.6)	(0.3)	(5.1)	(0.1)
Finance income, net	111.8	2.7	75.9	1.6
Share of losses of investments accounted for using the equity method	(1.6)	(0.0)	(2.1)	(0.1)
Impairment loss on investments accounted for using the equity method	(4.8)	(0.1)	(18.4)	(0.4)
Profit before income tax	301.3	7.4	1,153.6	24.2
Income tax expenses	(119.4)	(2.9)	(245.8)	(5.2)
Profit for the year	181.9	4.5	907.8	19.1
Non-IFRS Measures:				
EBITDA	322.6	7.9	1,219.7	25.6
Adjusted EBITDA	361.6	8.9	1,249.7	26.3
Adjusted net profit ^(Note)	309.6	7.6	1,029.0	21.6

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

Revenue

Our revenue decreased by 14.2% to RMB4,082.2 million in 2024 from RMB4,757.4 million in 2023. The decrease was primarily a result of the decrease in revenue from entertainment content services and online entertainment ticketing services due to the decrease of the national box office in 2024 caused by a shortage of top-tier film releases. The following table sets forth our revenues by service for the years ended December 31, 2024 and 2023.

	Year ended December 31,			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Revenue				
Entertainment content services ^(Note)	1,959.8	48.0	2,300.4	48.4
Online entertainment ticketing services	1,921.6	47.1	2,258.6	47.5
Advertising services and others	200.8	4.9	198.4	4.1
Total	<u>4,082.2</u>	<u>100.0</u>	<u>4,757.4</u>	<u>100.0</u>

Note: This amount included fair value gain on the Group's investment in movie and TV series amounting to RMB27.5 million for the year ended December 31, 2024 and fair value loss on the Group's investment in movie and TV series amounting to RMB3.2 million for the year ended December 31, 2023.

Entertainment Content Services

Revenue from our entertainment content services decreased by 14.8% to RMB1,959.8 million in 2024 from RMB2,300.4 million in 2023. The decrease in revenue from our entertainment content services was due to the less-than-expected box office performance of some of movies.

Online Entertainment Ticketing Services

Revenue from our online entertainment ticketing business decreased by 14.9% to RMB1,921.6 million in 2024 from RMB2,258.6 million in 2023. According to the data released by the China Film Administration (國家電影局), the total box office of the PRC film market in 2024 reached RMB42.502 billion, representing a decrease of 22.6% as compared to 2023.

Advertising Services and Others

Revenue from our advertising services and others increased by 1.2% to RMB200.8 million in 2024 from RMB198.4 million in 2023, which was mainly due to an increase in revenue from advertising business.

Cost of Revenue

Our cost of revenue increased by 3.6% to RMB2,457.2 million in 2024 from RMB2,372.5 million in 2023. The increase in our cost of revenue was mainly due to an increase in content production cost and internet infrastructure cost.

The following table sets forth our cost of revenue by amount, as a percentage of total cost of revenue and as a percentage of total revenues for the years indicated:

	Year ended December 31,					
	2024			2023		
	<i>RMB million</i>	<i>% of cost</i>	<i>% of revenue</i>	<i>RMB million</i>	<i>% of cost</i>	<i>% of revenue</i>
Content distribution and promotion cost	677.0	27.6	16.6	779.8	32.9	16.4
Content production cost	631.7	25.7	15.5	408.0	17.2	8.6
Internet infrastructure cost	528.9	21.5	13.0	459.5	19.4	9.7
Ticketing system cost	424.2	17.3	10.3	528.1	22.3	11.1
Amortization of intangible assets	88.7	3.6	2.2	91.2	3.8	1.9
Depreciation of property, plant and equipment	9.9	0.4	0.2	9.5	0.4	0.2
Other expenses	96.8	3.9	2.4	96.4	4.0	2.0
Total	<u>2,457.2</u>	<u>100.0</u>	<u>60.2</u>	<u>2,372.5</u>	<u>100.0</u>	<u>49.9</u>

Gross Profit and Gross Margin

Our gross profit decreased by 31.9% to RMB1,625.0 million in 2024 from RMB2,384.9 million in 2023, and our gross margin was 50.1% and 39.8% in 2023 and 2024, respectively. The decrease in our gross profit was mainly due to the decline in the box office of the PRC film market in 2024, as well as the less-than-expected box office performance of some of movies in which the Group was significantly involved.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 11.5% to RMB939.8 million in 2024 from RMB842.5 million in 2023, primarily due to the increase in marketing and promotion expenses of our business and the increase in number of sales staff.

General and Administrative Expenses

Our general and administrative expenses decreased by 2.2% to RMB363.3 million in 2024 from RMB371.6 million in 2023, basically remaining stable.

Net Impairment Loss on Financial Assets

We recorded net impairment loss on financial assets of RMB129.6 million in 2024, as compared to net impairment loss of financial assets of RMB120.5 million in 2023. For accounts receivables, an impairment loss of RMB76.4 million was recognised for the year ended December 31, 2024, primarily due to an increase of RMB204.8 million in the gross carrying amount of accounts receivables as of December 31, 2024 as compared to December 31, 2023 and the increase in trade receivables with long age. For other receivables, an impairment loss of RMB53.2 million was recognised for the year ended December 31, 2024, primarily due to an increase of RMB383.4 million in the gross carrying amount of other receivables as of December 31, 2024 as compared to December 31, 2023.

Other Income and Other Losses, Net

We recorded other income of RMB44.2 million in 2024, representing a decrease of 13.5% as compared to RMB51.1 million in 2023, mainly due to a decrease in tax credit of input tax additional deduction. We recorded net other losses of RMB40.6 million in 2024, compared to net other losses of RMB3.2 million in 2023, mainly due to the impact of foreign exchange losses.

Operating Profit

As a result of the foregoing, our operating profit was RMB195.9 million in 2024, compared to an operating profit of RMB1,098.2 million in 2023.

Finance Income, Net

Our net finance income increased from RMB75.9 million in 2023 to RMB111.8 million in 2024, primarily due to the improvement of our fund management efficiency.

Income Tax Expenses

We had income tax expenses of RMB119.4 million in 2024, compared to the income tax expenses of RMB245.8 million in 2023. This was primarily due to the decrease in our operating profit.

Profit for the Year

As a result of the foregoing, our profit for the year was RMB181.9 million in 2024, compared to profit for the year of RMB907.8 million in 2023.

Non-IFRS Financial Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use EBITDA, adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures, which have excluded certain effects of one-off or non-cash projects and M&A transactions for the previous years, facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the EBITDA, adjusted EBITDA and adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

Adjusted Net Profit, EBITDA and Adjusted EBITDA

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

	Year ended December 31,	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Reconciliation of net profit to adjusted net profit		
Net profit for the year	181.9	907.8
Add:		
Share-based compensation	39.0	30.0
Amortization of intangible assets resulting from business combinations	88.7	91.2
Adjusted net profit ^(Note)	<u>309.6</u>	<u>1,029.0</u>

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

	Year ended December 31,	
	2024	2023
	RMB million	RMB million
Reconciliation of operating profit to EBITDA and adjusted EBITDA		
Operating profit for the year	195.9	1,098.2
Add:		
Depreciation of property, plant and equipment	15.6	12.4
Amortization of intangible assets	92.7	95.1
Depreciation of right-of-use assets	18.4	14.0
EBITDA <i>(Note)</i>	<u>322.6</u>	<u>1,219.7</u>
Add:		
Share-based compensation	39.0	30.0
Adjusted EBITDA <i>(Note)</i>	<u>361.6</u>	<u>1,249.7</u>

Other Financial Data and Information

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets decreased from RMB12,540.1 million as of December 31, 2023 to RMB12,505.6 million as of December 31, 2024, whilst our total liabilities decreased from RMB3,501.8 million as of December 31, 2023 to RMB3,457.3 million as of December 31, 2024. Our liabilities-to-assets ratio remained basically the same with that in 2023.

Note: We defined EBITDA as operating profit for the year adjusted for depreciation and amortization expenses. We add back share-based compensation to EBITDA to derive adjusted EBITDA.

Liquidity, Financial Resources, and Gearing

We have historically funded our cash requirements principally from cash generated from operations, and to a lesser extent, equity and debt financing. We adopt prudent treasury policies in cash and financial management. To achieve better risk control and minimise cost of funds, our treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in RMB or US dollars. Our liquidity and financing requirements are reviewed regularly. We will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

As of December 31, 2024, we had cash and cash equivalents and other forms of bank deposits of RMB2,378.0 million, which were predominantly denominated in RMB and US dollars. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, and other funds raised from the capital markets from time to time.

As of December 31, 2024, our total borrowings were approximately RMB470.4 million, which were all bank borrowings denominated in RMB. The following table sets forth further details of our banking borrowings as of December 31, 2024:

	RMB million	Interest rate
Guaranteed	<u>470.4</u>	<u>1.95%~2.85%</u>
Total	<u>470.4</u>	<u>1.95%~2.85%</u>

As of December 31, 2024, we had unutilized banking facilities of RMB700.0 million.

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

We monitor capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, net of cash and cash equivalent, restricted bank deposits and term deposit with original maturity over three months. Total capital is calculated as “equity” as shown in the consolidated statement of financial position. As at December 31, 2023 and 2024, the Group had a net cash position.

Capital Expenditure

Our capital expenditures primarily included purchase of equipment and intangible assets. Our capital expenditures decreased by 41.9% to RMB14.3 million in 2024 from RMB24.6 million in 2023. We plan to fund our planned capital expenditures using cash generated from operations.

Material Acquisitions and Future Plans for Major Investments

As of December 31, 2024, the Group did not have any plans for major investments and capital assets. During the year ended December 31, 2024, we did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Major Investments Held

On March 12, 2019, we entered into a subscription agreement and a strategic cooperation agreement with Huanxi Media Group Limited. Pursuant to the subscription agreement, we have conditionally agreed to subscribe for, and Huanxi Media Group Limited has conditionally agreed to allot and issue to us, 236,600,000 shares at a total consideration of HK\$390,555,620. Under such agreements, we planned to establish strategic cooperation with Huanxi Media Group Limited in entertainment content services. On March 19, 2019, the subscription was completed and the consideration was duly paid. For further details, please see our announcement dated March 13, 2019 and our Annual Report for 2018 and 2019. As at December 31, 2024, we held 5.7% equity interest of Huanxi Media Group Limited.

Foreign Exchange Risk Management

Our businesses are principally conducted in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations. We manage foreign exchange risk by performing regular reviews of our foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

Employees and Remuneration Policy

As of December 31, 2024, we had 896 full-time employees, all of whom were based in mainland China and Hong Kong, primarily at our headquarters in Beijing, with the remainder in Shanghai and various other cities in China.

Committed to establishing a competitive, fair remuneration and benefits system, we continually refine our remuneration and incentive policies through market research and comparison with our competitors, in order to ensure that our employees receive competitive remuneration packages. We also purchase commercial health and accidental insurance for our employees. We also provide regular and specialized trainings tailored to the needs of our employees in different departments, so that our employees may stay up to date with the latest industrial developments and technological advancements. In order to incentivize our Directors, senior management and other employees for their contribution to our Group and to attract and retain suitable personnel, 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.

As required under the PRC regulations, we participate in housing fund and various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which the Group and its employees who are based in mainland China are required to make monthly contributions to these plans at specified percentages of the salaries of the employees. There was no forfeited contribution utilized to offset employers' contributions for the year ended December 31, 2024, and there was no forfeited contribution available to reduce the contribution. The Group also provides a mandatory provident fund scheme for employees employed under the Hong Kong Employment Ordinance.

EVENTS AFTER THE REPORTING PERIOD

No important events affecting the Group occurred since December 31, 2024 and up to the date of this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
	Note	2024	2023
		RMB'000	RMB'000
Revenue	4	4,082,178	4,757,369
Cost of revenue	5	<u>(2,457,176)</u>	<u>(2,372,504)</u>
Gross profit		1,625,002	2,384,865
Selling and marketing expenses	5	(939,810)	(842,476)
General and administrative expenses	5	(363,269)	(371,606)
Net impairment losses on financial assets		(129,564)	(120,547)
Other income	6	44,225	51,129
Other losses, net	6	<u>(40,704)</u>	<u>(3,140)</u>
Operating profit		195,880	1,098,225
Finance income		121,429	81,039
Finance costs		<u>(9,554)</u>	<u>(5,120)</u>
Finance income, net		111,875	75,919
Share of losses of investments accounted for using the equity method		(1,662)	(2,073)
Impairment loss on investments accounted for using the equity method		<u>(4,768)</u>	<u>(18,392)</u>
Profit before income tax		301,325	1,153,679
Income tax expenses		<u>(119,420)</u>	<u>(245,842)</u>
Profit for the year		<u>181,905</u>	<u>907,837</u>
Profit is attributable to:			
– Owners of the Company		181,905	910,412
– Non-controlling interests		<u>–</u>	<u>(2,575)</u>
		<u>181,905</u>	<u>907,837</u>
Earnings per share attributable to owners of the Company			
(expressed in RMB per share)			
– Basic earnings per share	8	0.16	0.79
– Diluted earnings per share	8	<u>0.16</u>	<u>0.79</u>

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit for the year	<u>181,905</u>	<u>907,837</u>
Other comprehensive loss:		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences from foreign operations	18,889	(26,426)
<i>Items that will not be reclassified to profit or loss</i>		
Currency translation differences from the Company	25,432	28,988
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	<u>(209,556)</u>	<u>(74,557)</u>
Other comprehensive loss for the year, net of tax	<u>(165,235)</u>	<u>(71,995)</u>
Total comprehensive income for the year	<u>16,670</u>	<u>835,842</u>
Total comprehensive income attributable to:		
– Owners of the Company	16,670	838,417
– Non-controlling interests	<u>–</u>	<u>(2,575)</u>
Total comprehensive income for the year	<u>16,670</u>	<u>835,842</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31,	
	Note	2024	2023
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		25,946	28,338
Right-of-use assets		9,803	27,084
Intangible assets		4,763,537	4,855,105
Investments accounted for using the equity method		7,971	14,401
Financial assets at fair value through profit or loss		30,074	36,857
Financial assets at fair value through other comprehensive income		325,198	458,866
Other financial assets measured at amortised cost		580,762	–
Deferred income tax assets		40,570	34,741
Prepayments, deposits and other receivables	11	54,836	11,947
		<u>5,838,697</u>	<u>5,467,339</u>
Current assets			
Inventories		33,995	39,431
Accounts receivables	10	876,162	747,741
Prepayments, deposits and other receivables	11	3,109,664	2,564,857
Prepaid income tax		123,833	20,090
Financial assets at fair value through profit or loss		145,246	15,264
Restricted bank deposits		16,907	261,104
Term deposits with original maturity over three months		1,458,033	1,277,048
Cash and cash equivalents		903,058	2,147,222
		<u>6,666,898</u>	<u>7,072,757</u>
Total assets		<u>12,505,595</u>	<u>12,540,096</u>

		As at December 31,	
	Note	2024	2023
		RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		155	154
Treasury shares		(1)	–
Reserves		8,178,175	8,353,274
Retained earnings		<u>869,983</u>	<u>687,760</u>
		9,048,312	9,041,188
Non-controlling interests		<u>–</u>	<u>(2,911)</u>
Total equity		<u>9,048,312</u>	<u>9,038,277</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		101,579	90,586
Lease liabilities		<u>–</u>	<u>11,705</u>
		<u>101,579</u>	<u>102,291</u>
Current liabilities			
Borrowings	12	470,442	250,000
Accounts payables	13	752,805	880,584
Other payables, accruals and other liabilities	14	2,095,682	2,182,673
Lease liabilities		10,773	16,766
Current income tax liabilities		<u>26,002</u>	<u>69,505</u>
		<u>3,355,704</u>	<u>3,399,528</u>
Total liabilities		<u>3,457,283</u>	<u>3,501,819</u>
Total equity and liabilities		<u><u>12,505,595</u></u>	<u><u>12,540,096</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Maoyan Entertainment (the “**Company**”) was incorporated in the Cayman Islands on December 8, 2017 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company’s registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on February 4, 2019.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “**Group**”), are principally engaged in the provision of online entertainment ticketing services, entertainment content services, movies and TV series investments, advertising services and others in the PRC.

The financial statements for the year ended December 31, 2024 are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated. The financial statements for the year ended December 31, 2024 have been approved for issue by the Company’s board of directors (the “**Board**”) on March 27, 2025.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and the requirements of the Hong Kong Companies Ordinance Cap.622. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- International Accounting Standards
- Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

(a) New and amended standards and interpretations adopted by the Group

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

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The adoption of these new and amended standards and interpretation does not have any material impact on amounts recognized in prior periods and are not expected to significantly affect the current or future period.

(b) New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards issued by the International Accounting Standards Board have been published that are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Group. The adoption of IFRS Accounting Standards 18 will not impact the recognition or measurement of items in the consolidated financial statements, and will only impact on presentation and disclosure, in particular those related to the consolidated statement of comprehensive income and providing management-defined performance measures within the consolidated financial statements. Except for IFRS Accounting Standards 18, none of these standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS Accounting Standards 9 and IFRS Accounting Standards 7	Disclosures' on classification and measurement of financial instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
New standards IFRS Accounting Standards 18	Presentation and Disclosure in Financial Statements	January 1, 2027

3 SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-makers, being the executive directors of the Group.

As a result of this evaluation, the executive directors of the Group consider that the Group's operations are operated and managed as a single segment; accordingly no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenue from external customers in the PRC.

As at December 31, 2024 and 2023, substantially all of the non-current assets were located in the PRC.

4 REVENUE

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue from contract with customers under IFRS Accounting Standards 15		
Entertainment content services	1,932,224	2,303,584
Online entertainment ticketing services	1,921,582	2,258,565
Advertising services and others	<u>200,843</u>	<u>198,387</u>
	4,054,649	4,760,536
Gains/(losses) on movies and TV series and entertainment events investments	<u>27,529</u>	<u>(3,167)</u>
Total revenue	<u>4,082,178</u>	<u>4,757,369</u>
	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue over time	2,077,615	2,418,361
Revenue at a point in time	<u>1,977,034</u>	<u>2,342,175</u>
Revenue from contract with customers under IFRS Accounting Standards 15	<u>4,054,649</u>	<u>4,760,536</u>

5 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Marketing and promotion expenses	680,040	631,690
Content distribution and promotion cost	676,958	779,834
Content production cost	631,741	408,041
Internet infrastructure cost	528,891	459,476
Staff costs excluding share options and restricted stock units (“RSUs”) granted to directors and employees	462,183	399,756
Ticketing system cost	424,174	528,138
Amortization of intangible assets	92,661	95,104
Outsourcing expenses	42,527	40,756
Other professional expenses	40,238	65,810
Share options and RSUs granted to directors and employees	38,960	30,348
Tax and levies	19,210	20,584
Depreciation of right-of-use asset	18,425	13,995
Depreciation of property, plant and equipment	15,642	12,364
Office expenses	11,148	22,385
Rental expense for short-term and low-value leases	7,749	8,422
Auditor’s remuneration	5,291	6,262
– Audit services	4,700	5,800
– Other services	591	462
Other expenses	64,417	63,621
Total cost of revenues, selling and marketing expenses and general and administrative expenses	3,760,255	3,586,586

During the year ended December 31, 2024, the Group incurred expenses for the purpose of research and development of approximately RMB218,964,000 (2023: RMB215,409,000), which comprised employee benefits expenses of approximately RMB204,385,000 (2023: RMB199,172,000).

6 OTHER INCOME AND OTHER LOSSES, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Other income		
Government subsidies	43,025	42,704
Tax credit of input tax additional deduction	1,200	8,425
	<u>44,225</u>	<u>51,129</u>
Other losses, net		
Net fair (losses)/gains on wealth management investments and unlisted investments classified as financial assets at fair value through profit or loss	(5,665)	13,612
Losses on disposals of property, plant and equipment	(10)	(173)
Losses on disposals of right of use assets	(3,575)	–
Net foreign exchange losses	(21,594)	(9,680)
Compensation losses (a)	(27,255)	–
Gains on write off the net payables that will not need to be paid	22,571	–
Losses on disposals of investments accounted for using the equity method	–	(7,663)
Others	(5,176)	764
	<u>(40,704)</u>	<u>(3,140)</u>

- (a) Compensation losses are related to penalty for early termination of lease contracts and restoration cost.

7 INCOME TAX EXPENSES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Current income tax	114,357	298,668
Deferred income tax	5,063	(52,826)
	<u>119,420</u>	<u>245,842</u>

(a) Cayman Islands corporate income tax (“CIT”)

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

(b) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the years ended December 31, 2024 and 2023.

(c) PRC corporate income tax

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the years ended December 31, 2024 and 2023. According to the relevant tax circulars issued by the PRC tax authorities, one subsidiary of the Group is taxed at a preferential tax rate of 15% (2023: 15%) under the relevant PRC tax rules and regulations.

(d) BVI income tax

No provision for income tax in BVI has been made as the Group has no income assessable to income tax in BVI for the years ended December 31, 2024 and 2023.

(e) Withholding tax

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Mainland of China to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax.

8 EARNINGS PER SHARE

(a) Basic earnings per share

	Year ended December 31,	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	<u>181,905</u>	<u>910,412</u>
Weighted average number of ordinary shares outstanding (thousand)	1,117,572	1,119,668
Weighted average number of vested restricted shares outstanding (thousand)	<u>28,587</u>	<u>25,751</u>
Total weighted average number of shares outstanding (thousand)	<u>1,146,159</u>	<u>1,145,419</u>
Basic earnings per share (in RMB)	<u><u>0.16</u></u>	<u><u>0.79</u></u>

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding and weighted average number of vested restricted shares outstanding during the respective years.

(b) Diluted earnings per share

	Year ended December 31,	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	<u>181,905</u>	<u>910,412</u>
Total weighted average number of shares outstanding (thousand)	1,146,159	1,145,419
Adjustments for share-based compensation – share options (thousand)	211	219
Adjustments for share-based compensation – RSUs (thousand)	<u>2,058</u>	<u>2,442</u>
Weighted average number of shares for diluted earnings per share (thousand)	<u>1,148,428</u>	<u>1,148,080</u>
Diluted earnings per share (in RMB)	<u>0.16</u>	<u>0.79</u>

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

For the years ended December 31, 2024 and 2023, the Company had dilutive potential ordinary shares of share options and RSUs granted to employees.

9 DIVIDENDS

The Board has recommended the payment of a final dividend of HKD0.32 per Share (2023: Nil) out of the distributable reserves for the year ended December 31, 2024, subject to the approval of the Shareholders at the AGM or any adjournment thereof. The final dividend proposed after the end of the reporting period will be either payable in cash or in form of new fully paid shares of the Company in respect of all of such final dividend at Shareholders' option. This proposed dividend is not reflected as dividend payable in the consolidated financial statements.

10 ACCOUNTS RECEIVABLES

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Related parties	35,617	17,690
Third parties	<u>1,287,246</u>	<u>1,100,333</u>
	1,322,863	1,118,023
Less: allowance for impairment	<u>(446,701)</u>	<u>(370,282)</u>
	<u><u>876,162</u></u>	<u><u>747,741</u></u>

(a) The carrying amounts of the accounts receivables balances approximated to their fair value as at December 31, 2024 and 2023.

(b) Aging analysis of the gross accounts receivables based on recognition date is as follows:

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0-90 days	586,838	545,240
91-180 days	189,434	172,129
181-365 days	135,022	76,163
Over 365 days	<u>411,569</u>	<u>324,491</u>
	<u><u>1,322,863</u></u>	<u><u>1,118,023</u></u>

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Prepayments for:		
– investments and productions in movies, TV series and entertainment events (a)	1,837,226	1,576,488
– contract fulfilment costs for movie productions (b)	339,708	180,057
– operating expenses (c)	60,067	62,811
– others	7,739	16,565
Total of prepayments	2,244,740	1,835,921
Less: impairment for prepayments (a)	(323,257)	(171,899)
Total of prepayments – net	1,921,483	1,664,022
Deposits and other receivables:		
Deposits and receivables for online entertainment ticketing, e-commerce and other services (d)	1,123,394	686,956
Loans to third parties (e)	248,502	195,875
Amounts due from related parties	147,200	185,071
Receivables from investments in movies and TV series (f)	103,984	134,628
Deposits for rentals and others	55,304	55,727
Receivables from transfer of investments in movies and TV series	10,284	30,897
Others	49,624	65,758
Total of deposits and other receivables	1,738,292	1,354,912
Less: impairment for deposits and other receivables	(495,275)	(442,130)
Total of deposits and other receivables – net	1,243,017	912,782
Total of prepayment, deposits and other receivables – net	3,164,500	2,576,804
Less: non-current portion	(54,836)	(11,947)
	3,109,664	2,564,857

- (a) The Group offers distribution and promotion services, which is considered as one of the principal activities of the Group. The investments and productions in movies, TV series and entertainment events with distribution and promotion services are designated as prepayments. The impairment provision mainly represents impairment of prepayments for investments and productions in movies, TV series and entertainment events which are capitalised movie production and distribution costs subject to impairment assessment. As of December 31, 2024, due to factors including but not limited to major actors of certain projects were replaced, the risk of being unable to be released in the foreseeable future, and the deterioration of financial and operational position of the business partners, the Group further assessed the probability of non-performance (i.e. the movies or TV series not able to be exhibited) and made impairment provision of approximately RMB174,848,000, which were recognized in cost of revenue, against prepayments for investments and productions in movies, TV series and entertainment events based on the expected recoverable amount estimated by the directors in light of the aforementioned considerations; and reversed RMB17,090,000 since there was cash receipt from a certain impaired investment; and reversed RMB6,400,000 since the Group entered into withdrawal agreements with a business partner.
- (b) The contract fulfilment costs for movie productions represent the certain movie production costs when the Group controls the movie production process and is considered to be a producer.
- (c) The amounts mainly represent marketing and promotion expenses which would be recognized as expenses when the services are provided to the Group.
- (d) In line with the general industry practice and after prudently considering factors including creditworthiness and cooperation relationships with relevant business partners to control potential risk, the Group prepaid deposits or advance payments to some cinemas and large-scale concerts organizers operating within China, and then deducted or recovered such prepayment during the settlement with such business partners at a later stage.
- (e) As at December 31, 2024, except for a loan to third party with carrying amount of approximately RMB40,000,000 repayable on or after May 19, 2026, the remaining loans are repayable within 1 year. Except for interest-free and unsecured loans amounting to approximately RMB42,100,000, the remaining loans are interest-bearing at fixed rates ranging from 3% to 13% per annum. Included in the interest-bearing loans, an aggregate of RMB47,974,000 are secured by the debtors' certain receivables.
- (f) The amounts mainly represent the investments with fixed returns in certain movies and TV series projects.

12 BORROWINGS

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings – due within one year		
– Guaranteed	470,422	–
– Secured	–	250,000
	<u>470,442</u>	<u>250,000</u>

13 ACCOUNTS PAYABLES

Aging analysis of the accounts payables based on invoice date at the respective statement of financial position date is as follows:

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0–90 days	307,760	298,753
91–180 days	74,708	160,449
181–365 days	70,541	164,824
Over 365 days	299,796	256,558
	<u>752,805</u>	<u>880,584</u>

14 OTHER PAYABLES, ACCRUALS AND OTHER LIABILITIES

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Payables in respect of online entertainment ticketing, e-commerce services and advance in respect of content production	1,298,116	1,471,069
Payables in respect of share in the box office receipts	517,122	434,851
Payroll and welfare payable	143,882	128,432
Amounts due to related parties	79,919	110,829
Other tax liabilities	10,055	11,474
Others	46,588	26,018
	<u>2,095,682</u>	<u>2,182,673</u>

OTHER INFORMATION

Compliance with Corporate Governance Code

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and its Shareholders. The Board considered that the Company had complied with all applicable code provisions set out in the Corporate Governance Code during the Reporting Period.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

Purchase, Sale or Redemption of the Listed Securities

During the year ended December 31, 2024, the Company repurchased a total of 7,099,800 shares on the Stock Exchange for an aggregate consideration of approximately HK\$49.75 million (before expenses). The repurchased shares were subsequently cancelled. The repurchases was effected for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

Month of purchase in 2024	No. of shares purchased	Purchase consideration per share		Aggregate consideration paid HKD
		Highest price paid HKD	Lowest price paid HKD	
July	2,999,000	8.36	7.83	24,549,165.60
August	2,096,600	6.36	5.97	12,845,965.38
September	1,672,200	6.05	5.90	9,968,587.34
October	<u>332,000</u>	<u>7.20</u>	<u>7.20</u>	<u>2,390,400.00</u>
Total	<u>7,099,800</u>			<u>49,754,118.32</u>

Audit Committee

The Audit Committee has, together with the Board of the Company, reviewed the consolidated financial statements of the Group for the year ended December 31, 2024. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to, among others, the auditing, risk management, internal control and financial reporting of the Company. Based on the above review and discussion, the Audit Committee is satisfied that the consolidated financial statements of the Group for the year ended December 31, 2024 have been prepared in accordance with the applicable accounting principles and practices.

Scope of Work of the Company’s Auditor on the Results Announcement

The figures in respect of the consolidated financial statements of the Group and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Company’s auditor, PricewaterhouseCoopers, to the amounts set out in the consolidated financial statements of the Group for the year ended December 31, 2024. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by the Company’s auditor on this announcement.

Frozen Equity Interests of Tianjin Maoyan Weying

Weying Culture, one of the Registered Shareholders holding 26.9% equity interests in Tianjin Maoyan Weying, and its affiliated company, Weying Technology, have been involved in certain lawsuits as defendants in the PRC. The plaintiffs of the lawsuits applied for, and the relevant PRC courts granted, orders to freeze the equity interests held by Weying Culture in Tianjin Maoyan Weying (the “**Frozen Equity Interests**”) (i.e. Document 2021 Jing 04 Zhi 480 and Document 2022 Jing 01 Zhi 1258), as shown on National Enterprise Credit Information Publicly System. As of the date of this annual report, Weying’s debts under the above lawsuits have not been paid off and the freezes are not released.

In response to the above lawsuits, Weying Technology and Weying Culture co-issued the Confirmation Letter to Tianjin Maoyan Weying and WFOE, pursuant to which Weying undertook to comply with and fulfil the terms and conditions, responsibilities and obligations under the Contractual Arrangements including but not limited to fully cooperating with the WFOE’s instructions when the WFOE exercises its irrevocable and exclusive right to purchase the Frozen Equity Interests, or transfer the Frozen Equity Interests to the WFOE’s assignee at the WFOE’s request.

The Directors, based on the advice of Company’s PRC legal advisors, consider that the Contractual Arrangements and the Confirmation Letter are in compliance with relevant PRC laws and regulations and are legally binding and enforceable. There is no material adverse impact on the Contractual Arrangements.

Closure of Register of Members

The Company will hold the AGM on Wednesday, June 25, 2025. The register of members of the Company will be closed from Friday, June 20, 2025 to Wednesday, June 25, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, June 19, 2025.

The proposed final dividend is subject to the passing of ordinary resolutions by the Shareholders at the AGM. The register of members of the Company will be closed from Wednesday, July 2, 2025 to Friday, July 4, 2025, both days inclusive, in order to determine the entitlement to the proposed final dividend, during which period no share transfers will be registered. The record date for entitlement to the proposed final dividend is Friday, July 4, 2025. In order to be eligible to receive the proposed final dividend, all properly completed transfer forms accompanied by the relevant Share certificates, must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, June 30, 2025. If approved by the Shareholders at the forthcoming AGM, the payment date of the proposed final dividend is expected to be or around Friday, August 22, 2025.

Publication of the Annual Results and Annual Report

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.maoyan.com), and the annual report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.maoyan.com) in due course.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held on June 25, 2025
“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“Company” or “Maoyan”	Maoyan Entertainment, an exempted company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1896)
“Confirmation Letter”	In response to the lawsuits in which Weying acted as defendants and the equity interests held by Weying Culture in Tianjin Maoyan Weying were therefore frozen as disclosed in this announcement, the confirmation letter co-issued by Weying Technology and Weying Culture to Tianjin Maoyan Weying and WFOE, pursuant to which Weying undertook to comply with and fulfil the terms and conditions, responsibilities and obligations under the relevant Contractual Arrangements including but not limited to fully cooperating with the WFOE’s instructions when the WFOE exercises its irrevocable and exclusive right to purchase the frozen equity interests, or transfer the frozen equity interests to the WFOE’s assignee at the WFOE’s request
“Consolidated Affiliated Entities”	entities whose financial have been consolidated and accounted for as subsidiaries of the Company by virtue of the Contractual Arrangements
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the WFOE, operating companies and the Registered Shareholders
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”, “our Group”, “we” or “us”	the Company, its subsidiaries and the Consolidated Affiliated Entities
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	February 4, 2019, the date on which the Shares became listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maoyan Technology/WFOE”	Tianjin Maoyan Weying Technology Co., Ltd. (天津貓眼微影科技有限公司), a company incorporated under the laws of the PRC on February 5, 2018 with limited liability and a wholly owned subsidiary of our Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Registered Shareholders”	Enlight Holdings Limited、Beijing Enlight Media Co., Ltd. (北京光線傳媒股份有限公司), Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), Weying Culture, Linzhi Lixin Information Technology Co., Ltd. (林芝利新信息技術有限公司), Tianjin Caichuang Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩創企業管理諮詢合夥企業(有限合夥)), Tianjin Caixuan Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩絢企業管理諮詢合夥企業(有限合夥)), Tianjin Caiyi Enterprise Management and Consultation Partnership (Limited Partnership)(天津彩溢企業管理諮詢合夥企業(有限合夥)), Tianjin Caiying Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩盈企業管理諮詢合夥企業(有限合夥)), Tianjin Guanghong Enterprise Management and Consultation Partnership (Limited Partnership)(天津光鴻企業管理諮詢合夥企業(有限合夥)) and Tianjin Yunqi Information Technology Co., Ltd. (天津雲起信息科技有限公司)
“Reporting Period”	year ended December 31, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange” or “SEHK”	the Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tianjin Maoyan Weying”	Tianjin Maoyan Weying Cultural Media Co., Ltd. (天津貓眼微影文化傳媒有限公司), formerly known as Tianjin Maoyan Cultural Media Co., Ltd. (天津貓眼文化傳媒有限公司), a company incorporated under the laws of the PRC on May 27, 2015 with limited liability and a Consolidated Affiliated Entity, which is one of the operating companies
“US\$” or “US dollars” or “USD”	U.S. dollars, the lawful currency of the United States of America
“Weying”	Weying Culture and Weying Technology

“Weying Culture”	Beijing Shiji Weying Culture Development Co., Ltd. (北京世紀微影文化發展有限公司), a company incorporated under the laws of the PRC on July 22, 2016, with the limited liability and one of our Registered Shareholders
“Weying Technology”	Beijing Weying Shidai Technology Co., Ltd. (北京微影時代科技有限公司), a company established under the laws of the PRC with limited liability, and/or its subsidiaries, as the case may be
“%”	per cent

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

Hong Kong, March 27, 2025

As at the date of this announcement, the Board of the Company comprises Mr. Zheng Zhihao as Executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Sun Zhonghuai, Mr. Chen Shaohui and Mr. Tang Lichun as Non-executive Directors, and Mr. Wang Hua, Mr. Chan Charles Sheung Wai, Mr. Yin Hong and Ms. Liu Lin as Independent Non-executive Directors.