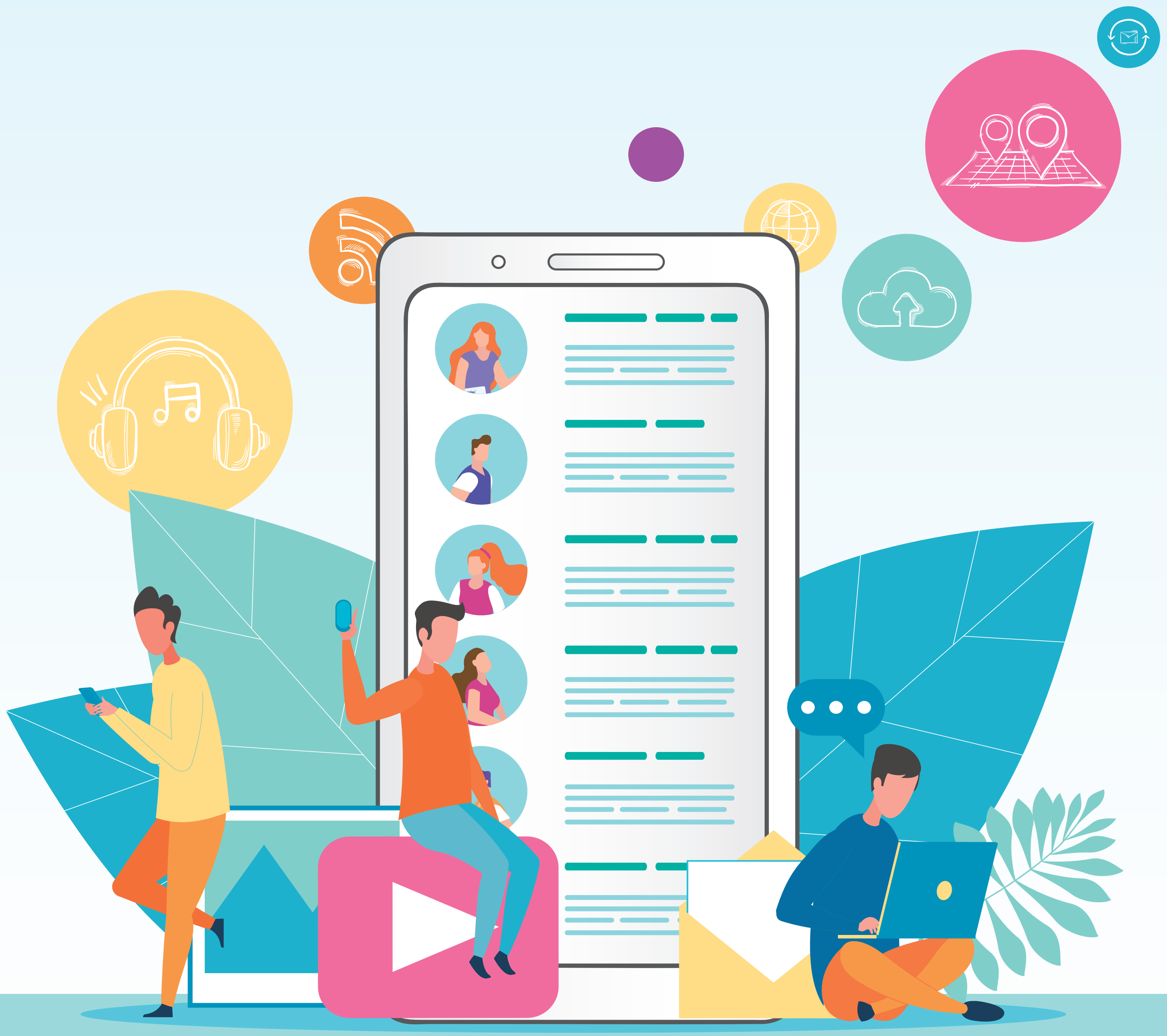
WEIMOB INC.
微盟集團*

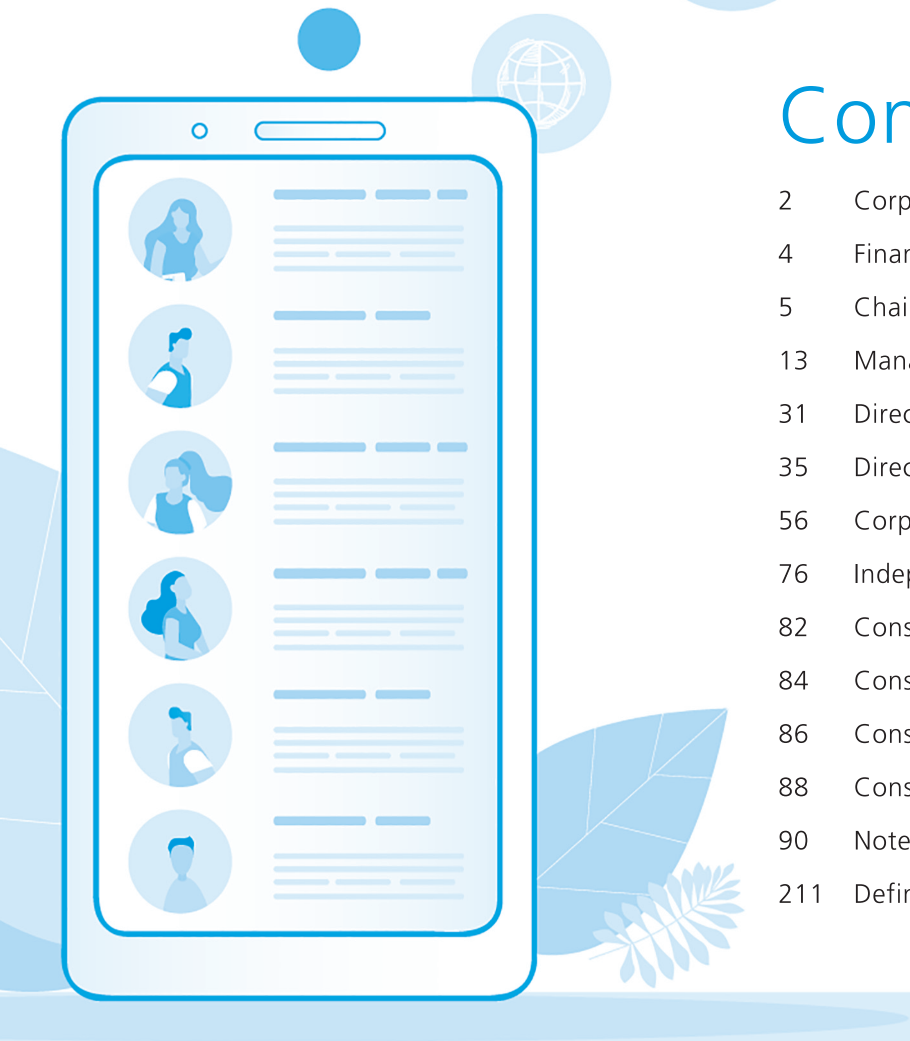
(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立之有限公司）

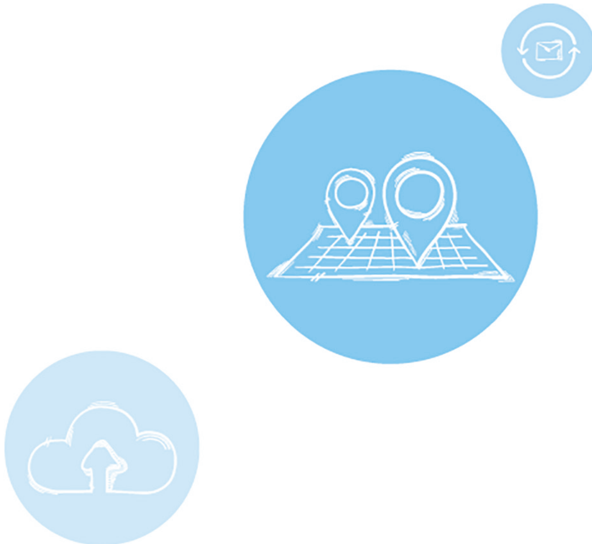
Stock Code 股份代號：2013

Annual Report 年度報告 2024



*For identification purpose only 僅供識別





Contents

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. SUN Taoyong *(Chairman)*
Mr. FANG Tongshu
Mr. YOU Fengchun
Mr. FEI Leiming *(appointed on August 21, 2024)*
Mr. GUO Junxian *(resigned on August 21, 2024)*

Independent Non-executive Directors

Dr. LI Xufu
Mr. TANG Wei
Ms. XU Xiao'ou
Dr. SUN Mingchun *(resigned on January 16, 2024)*

JOINT COMPANY SECRETARIES

Mr. CAO Haidong *(appointed on March 21, 2025)*
Ms. NG Sau Mei *(FCG, HKFCG)*
Mr. CAO Yi *(resigned on March 21, 2025)*

AUDIT COMMITTEE

Mr. TANG Wei *(Chairman)*
Dr. LI Xufu
Ms. XU Xiao'ou *(appointed on January 16, 2024)*
Dr. SUN Mingchun *(resigned on January 16, 2024)*

REMUNERATION COMMITTEE

Dr. LI Xufu *(Chairman) (appointed as Chairman on January 16, 2024)*
Mr. SUN Taoyong
Ms. XU Xiao'ou *(appointed on January 16, 2024)*
Dr. SUN Mingchun *(ex-Chairman) (resigned on January 16, 2024)*

NOMINATION COMMITTEE

Mr. SUN Taoyong *(Chairman)*
Dr. LI Xufu
Mr. TANG Wei *(appointed on January 16, 2024)*
Dr. SUN Mingchun *(resigned on January 16, 2024)*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F Prince's Building
Central
Hong Kong

LEGAL ADVISOR

As to Hong Kong and U.S. laws:
Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of Shanghai Co., Ltd.
Pilot Free Trade Zone Branch
1/F, China Aluminium High Building
No. 53 Changqing North Road
Pudong District
Shanghai
PRC

China CITIC Bank Co., Ltd.
Waitan Branch
No. 290 Beijing East Road
Huangpu District
Shanghai
PRC

China Construction Bank Corporation
Shanghai Zhangmiao Branch
No. 1768 Changjiang West Road
Baoshan District
Shanghai
PRC

CORPORATE INFORMATION

AUTHORIZED REPRESENTATIVES

Mr. SUN Taoyong
Ms. NG Sau Mei

REGISTERED OFFICE

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Weimob Building
No. 258, Changjiang Road
Baoshan District
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2701, 27th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

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

STOCK CODE

2013

COMPANY'S WEBSITE

www.weimob.com

FINANCIAL SUMMARY AND OPERATIONAL HIGHLIGHTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME

	Year ended December 31,				
	2024	2023	2022	2021	2020
			(RMB'000)		
Revenue	**1,339,255**	2,227,684	1,838,988	2,685,686	2,064,362
Gross profit	**596,324**	1,483,525	1,090,651	1,516,475	1,098,167
Operating (loss)/gain	**(1,431,160)**	(604,291)	(1,849,652)	(761,061)	103,289
Loss before income tax	**(1,787,203)**	(726,357)	(1,989,738)	(844,330)	(1,144,067)
Loss for the year	**(1,743,950)**	(761,258)	(1,918,874)	(853,243)	(1,166,379)
Total comprehensive loss for the year	**(1,745,711)**	(767,674)	(1,901,568)	(860,664)	(1,166,379)
Adjusted EBITDA	**(375,500)**	(212,900)	(1,086,700)	(320,277)	299,157
Adjusted net (loss)/profit	**(532,800)**	(549,400)	(1,456,900)	(566,031)	107,504

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31,				
	2024	2023	2022	2021	2020
			(RMB'000)		
Non-current assets	**2,553,212**	3,038,105	3,028,205	2,918,998	1,633,180
Current assets	**4,407,424**	4,829,991	4,942,511	6,517,563	4,221,034
Total assets	**6,960,636**	7,868,096	7,970,716	9,436,561	5,854,214
Capital and reserves attributable to equity holders of the Company	**1,726,976**	2,700,157	2,149,545	4,063,473	1,048,017
Non-controlling interests	**85,780**	102,097	91,501	150,345	204,473
Total equity	**1,812,756**	2,802,254	2,241,046	4,213,818	1,252,490
Non-current liabilities	**635,528**	641,369	1,980,861	2,429,802	2,231,699
Current liabilities	**4,512,352**	4,424,473	3,748,809	2,792,941	2,370,025
Total liabilities	**5,147,880**	5,065,842	5,729,670	5,222,743	4,601,724
Total equity and liabilities	**6,960,636**	7,868,096	7,970,716	9,436,561	5,854,214

CHAIRMAN'S STATEMENT

RESULTS HIGHLIGHTS FOR 2024

In 2024, with focus on the 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.

CHAIRMAN'S STATEMENT

As of the date of the Report, 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 in the open market through their respective controlled entity. Since the Listing in 2019, Mr. Sun has never sold the Shares 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 in the open market. Immediately after the disposal, Tencent indirectly held 99,170,461 Shares. 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.

CHAIRMAN'S STATEMENT

The Group has placed the application of AI technology at the core of its technology strategy, concentrating on the main businesses of SaaS and targeted marketing, focusing on the application of AI Agent technology in e-commerce, retail and other scenarios. The Group continued to maintain close collaboration with Tencent ecosystem, deepening cooperation in areas including WeChat Mini Shop, Smart Retail, AI large models and targeted marketing.

1. Application of AI Agent

During the Reporting Period, Weimob's large model application product Weimob WAI, has successfully integrated with over 10 mainstream large model platforms in China, including DeepSeek, Tencent Hunyuan, Tongyi Qwen, Moonshot Kimi. We continued to refine and iterate our products in various application scenarios such as e-commerce, retail, marketing and other fields, bridging the "last mile" of AI technology application for merchants and users side. Based on the integrated R&D of AI application technology and core business, the successful launch of three intelligent solution products – SaaS version of Weimob WAI, Weimob WAI Pro and Weimob WIME – enabled the Group to provide more suitable AI Agent solutions targeting various To B and To C customer bases.

We have launched 15 AI Agent product matrices, covering a total of 58 business scenarios from online store setup to private domain operation. This initiative aimed to build intelligent teams for various business scenarios in the e-commerce and retail industries to improve quality and efficiency. In the e-commerce scenarios, the product matrix encompassed AI Agents such as "mall operation, decoration expert, event operation and live streaming operation", which covered the entire process from store setup, marketing and promotional activities, private domain operation, to business diagnosis. The first ever introduced Shopping Guide Agent in retail scenarios helped brands improve the shopping guide operation efficiency and promote the upgrade of digital intelligence in the retail industry.

2. Deep Collaboration with Tencent

The Group continued to deepen cooperation with Tencent in various areas including WeChat ecosystem technological services, technology application of AI large models and targeted marketing. The Group won 25 awards, including the Annual Partner of Tencent Smart Retail in 2024 and the "Strategic Partner" for Regional Channel Annual Service Providers in 2024 of Tencent Advertising. In collaboration with Tencent Yuanbao, we were among the first group of enterprises to establish an AI intelligent ecosystem with Tencent Cloud.

In 2024, we took the initiative to embrace the WeChat e-commerce ecology based on WeChat Mini Shop, and to support merchants to participate in the WeChat e-commerce ecosystem as one of the first group of service providers to connect WeChat Mini Shop. Our large model application product, WIME, was released on the WeChat Service Provider Platform and became one of the first AI tool service providers for WeChat Mini Shop. During the Reporting Period, by virtue of the product technology capability and user service experience accumulated over the years centering on digital business services, we quickly rolled out the "Weimob × WeChat Mini Shop" series solution, offering merchants full-process services including integrated operation, intelligent efficiency enhancement, organizational node management and WeChat Mini Shop CRM member operation system. We also supported the ability of Weimob WAI, the intelligent merchant operation enhancement tool self-developed by the Group, to assist customers in refining their business infrastructure in the WeChat ecosystem promptly.

Both of our Weimob Smart Retail solutions and products in WeiMall have the function of "Weimob Mini Program Mall redirecting to WeChat Mini Shop", supporting "one-click gift delivery" via mini programs, helping merchants achieve "integrated operation" on both platforms. This enables merchants within the WeChat ecosystem to attract full domain traffic, refine operation of private domain traffic and member management, and to achieve business growth.

3. International Exploration

In 2024, we successfully established an overseas application matrix for product marketing and promotion, covering the entire core processes of e-commerce business operation such as merchant acquisition, transaction conversions and customer retention, and launched a number of applications on the Shopify app market, an overseas independent website platform. Among them, an app called Markivo Free Shipping Upsell has been installed by hundreds of merchants and received 5-star reviews since its launch 6 months ago. It ranked at the front of the first page in the keyword search for free shipping, standing out among nearly 2,000 apps. The overseas business coverage of Heading under Weimob expanded into five regions in the world, with new markets in East Asia and Africa regions during the Reporting Period.

4. Corporate Governance

In 2024, the Group was committed to sustainable development, with remarkable achievements in ESG and compliance. In terms of corporate governance and compliance initiatives, we have sorted out and updated contracts to improve their applicability. We also carried out standardization pilot work by compiling 87 corporate standards, which significantly enhanced the corporate governance level. At the same time, we proactively initiated the Integrity Day activity to promote the concept of anti-corruption and integrity. In terms of product quality management, business objectives were integrated into quality management, expanding beyond traditional technical guarantee to overall revenue guarantee. In terms of employee development, we conducted a positional system reform to open up promotion and talent growth channels and increased the coverage for employer's liability insurance to reinforce protection over employees. During the Reporting Period, Weimob headquarter building was included in the APEC Technology Empowers Low Carbon Action (TELCA): Best Practice Report, and was acclaimed as a model of sustainable building design. Weimob was also honored as one of the "Most Socially Responsible Listed Company" by Zhitong Finance.

5. Efficiency Improvement in R&D

Weimob continued to forge ahead in R&D efficiency and openness to the ecosystem. During the Reporting Period, the cloud resources expenses of the Group decreased by 28.6% year-on-year in 2024 through technological transformation and process optimization. Concerning product service quality and guarantee, the performance of the core transaction chain improved by 24.0% year-on-year and the guarantee capability for major promotion events increased by 48.0%. In respect of ecosystem empowerment, we coordinated with new channels including Data Winner, WeChat Mini Shop and Tmall to further boost the coverage of SaaS ecosystem connectors. We persisted in enhancing the openness of the new WOS business operating system and promoted the customization of applications in the ecosystem. In the second half of 2024, 615 additional product applications were released on the Weimob cloud development platform.

CHAIRMAN'S STATEMENT

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 cost. 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.

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

	Year ended December 31, 2024 *RMB'000*	2023 *RMB'000*
Revenue	**1,339,255**	2,227,684
Cost of sales	**(742,931)**	(744,159)
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	**(346,114)**	123,322
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	**(69,394)**	5,747
Loss before income tax	**(1,787,203)**	(726,357)
Income tax credit/(expenses)	**43,253**	(34,901)
Loss for the year	**(1,743,950)**	(761,258)
Loss attributable to:		
– Equity holders of the Company	**(1,728,493)**	(758,251)
– Non-controlling interests	**(15,457)**	(3,007)

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
Subscription Solutions		
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
Merchant Solutions		
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	
	(RMB in millions, except percentages)			
Revenue	**Revenue per financial statement**	**%**	Revenue per financial statement	%
– Subscription Solutions	**918.5**	**68.6**	1,349.4	60.6
– Merchant Solutions[1]	**420.8**	**31.4**	878.3	39.4
Total	**1,339.3**	**100.0**	2,227.7	100.0

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

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,		
	2024	2023	Year-on-year 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,		
	2024	2023	Year-on-year change
	(Unaudited, RMB in millions, except percentages)		
Merchant Solutions			
Adjusted revenue(1)	**549.6**	749.5	(26.7%)

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,			
	2024		2023	
	(RMB in millions, except percentages)			
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,			
	2024		2023	
	(Unaudited, RMB in millions, except percentages)			
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,			
	2024		2023	
	(RMB in millions, except percentages)			
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,			
	2024		2023	
	(Unaudited, RMB in millions, except percentages)			
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		
	Gross profit	%	Gross margin	Gross profit	%	Gross margin
	(RMB in millions, except percentages)					
– 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		
	(Unaudited, RMB in millions, except percentages)					
	Adjusted gross profit	%	Adjusted gross margin	Adjusted gross profit	%	Adjusted gross margin
– 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
	(RMB in millions)	
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
	(RMB in millions)	
Balance at beginning of the year	**376.9**	448.6
Total research and development expenditure	**406.3**	586.7
Research and development expenditure in general and administrative expenses	**(385.8)**	(406.3)
Amortization of the year – included in cost of sales	**(203.7)**	(231.1)
Impairment provision – included in cost of sales	**(179.4)**	(21.0)
Balance at end of the year	**14.3**	376.9

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

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	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)

	As Reported	One-time price concession[2]	Share-based compensation	2021 Convertible Bonds related costs	Fair value changes and one-off expenses related to 2020 Convertible Bonds	Amortization and impairment of intangible assets	One-off 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
	(RMB'000, except percentages)	
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%

Bank	Loan balance (RMB in millions)	Loan period	Interest rate (per annum unless otherwise stated)
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
	(RMB in millions)	
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 the Report, there were no plans for material investments or additions of capital assets as at the date of the Report.

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.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. SUN Taoyong (孫濤勇), aged 38, is the Founder of our Group. Mr. SUN currently serves as the Chairman of the Board, executive Director and the Chief Executive Officer of our Company. Mr. SUN also serves as an executive director and the chief executive officer of Weimob Development and holds various directorships in our subsidiaries. Mr. SUN is responsible for formulation of business plans, strategies and other major decisions of our Group, as well as overall management of our Group. In recognition of his innovation, entrepreneurship and contributions, Mr. SUN has received numerous awards and recognitions, including "Top 10 Young IT Pioneers in Shanghai" (上海IT青年新銳獎) by Shanghai Informatization Youth Talent Association in 2015, "100 Most Innovative Individual in PRC Business of 2015" (2015中國商業最具創意人物100) by Fast Company Magazine in 2016, "China E-Commerce Innovation Best Person of the Year – Service Vendor" (年度電商創新服務商人物) by International E-Commerce Innovation Association (IECIA) in 2016, "Person of the Year in Anhui Province" (安徽年度新聞人物) by Anhui TV Station in 2016, "2016 Entrepreneurs Under 30" (2016年30歲以下創業新貴) by CYZone (創業邦) in 2016, and "Forbes 30 Under 30 Asia List" by Forbes in 2017 (福布斯亞洲30歲以下傑出人物榜), and was selected to the "2018 Shanghai Leading Talents Training Program" (2018上海領軍人才培養計劃). Mr. SUN was also awarded the "Leading Pioneer" of the 2022 Shanghai digital transformation. Mr. SUN was also the national champion of the first season of "I am the Founder" (我是創始人), a competitive reality TV show for technology entrepreneurs. Mr. SUN is also a representative of the eighth Shanghai Baoshan District People's Congress.

Mr. SUN obtained his bachelor's degree in educational technology from Anqing Normal University (安慶師範大學) in June 2010. He obtained his master's degree in software engineering from Beijing Institute of Technology (北京理工大學) in February 2013.

Mr. FANG Tongshu (方桐舒), aged 41, is the co-founder of our Group. Mr. FANG currently serves as an executive Director and president of the intelligent business career group of our Company. Mr. FANG also serves as the senior vice president at Weimob Development since September 2014. Mr. FANG is mainly responsible for overall operation and management of the software business. Prior to joining our Group, from March 2006 to March 2007, Mr. FANG served as a general sales manager at Hotsales Software Technology Co., Ltd. (上海火速軟件技術有限公司). From April 2007 to March 2013, Mr. FANG served as a general sales and operations manager at Hotsales Network Technology Co., Ltd. (上海火速網絡科技有限公司).

Mr. FANG graduated from Nankai University (南開大學) with a major in business administration in June 2019.

Mr. YOU Fengchun (游鳳椿), aged 37, is the co-founder of our Group. Mr. YOU currently serves as an executive Director, President and president of intelligent marketing career group of our Company. Mr. YOU also serves as the senior vice president at Weimob Development since December 2015. Mr. YOU is mainly responsible for overall planning and operation of the targeted marketing business. Prior to joining our Group, Mr. YOU was mainly engaged in early investment and personal entrepreneurship projects.

Mr. YOU attended a senior executive development program in business management at Shanghai Jiao Tong University (上海交通大學) from November 2015 to March 2016.

Mr. FEI Leiming (費雷鳴), aged 45, is an executive Director of our Company. Mr. FEI is also the Chief Human Resources Officer of our Company. Mr. FEI has also been the vice president and chief human resources officer of Weimob Development since January 2017. Mr. FEI is mainly responsible for the planning and operation of human resources. He has more than 10 years of experience in human resources and administration.

Prior to joining our Group, from July 2003 to February 2006, Mr. FEI worked at Zhongqi Power Technology Co., Ltd. (中企動力科技股份有限公司), and from March 2006 to May 2012, he served as a senior human resources specialist at Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司), mainly responsible for human resources management. From May 2012 to September 2013, Mr. FEI served as a human resources director at Shanghai HongMei E-commerce Co., Ltd. (上海紅美電子商務有限公司), responsible for overall human resources management. From April 2014 to April 2015, he worked at Suzhou Haowu Information Technology Company Limited (蘇州市好屋信息技術有限公司), responsible for human resources and administrative affairs. From May 2015 to January 2017, he worked at Bailian Omni-channel E-commerce Co., Ltd. (上海百聯全渠道電子商務有限公司), responsible for the general planning and management of human resources for the Internet business sector.

Mr. FEI obtained his bachelor's degree in administrative management from Shanghai Normal University (上海師範大學) in July 2003.

Independent Non-executive Directors

Dr. LI Xufu (李緒富), aged 59, is an independent non-executive Director of our Company. Dr. LI was formerly known as LI Xufu (李緒付). Dr. LI has 24 years of experience in the securities and investment industry.

After Dr. LI obtained his master's degree, he started his career as a senior manager of the investment banking department at Guotai Junan Securities Co., Ltd., until 1996 when he later joined China Southern Securities Co., Ltd. (南方證券股份有限公司) as a general manager of the investment banking department (Shanghai). In 2004, Dr. LI served as the general manager of corporate finance department at Changjiang BNP Paribas Peregrine Securities Co., Ltd, and later in 2006, Dr. LI served as a director at BNP Paribas Capital (Asia Pacific) Limited (法國巴黎融資(亞太)有限公司). From December 2007 to August 2009, Dr. LI was a partner of Bull Consultants Limited. From September 2009 to June 2018, Dr. LI was the executive partner and managing partner in Bull Capital Partners (Hong Kong) Limited. From January 2009 to May 2014, he served as a non-executive director at JD.com, Inc. (京東集團), a company listed on the Nasdaq Stock Exchange (stock code: JD) and the Stock Exchange (stock code: 9618). From March 2008 to March 2014, he also served as an independent director at Gemdale Holdings Co., Ltd. (金地集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600383). Dr. LI currently serves as a managing partner of Ningbo Xinli Equity Investment Management Partnership (Limited Partnership) (寧波新犁股權投資管理合夥企業(有限合夥)), formerly known as Ningbo Bull Equity Investment Management Partnership (Limited Partnership) (寧波雄牛股權投資管理合夥企業(有限合夥)).

Dr. LI obtained his bachelor's degree in German from Shanghai International Studies University (上海外國語大學) in July 1988. He obtained his master's degree in world economics from Fudan University (復旦大學) in July 1994 and his doctorate degree in international finance from Fudan University in June 2003. Dr. LI is currently a visiting professor in the department of economics at Fudan University.

Mr. TANG Wei (唐偉), aged 50, is an independent non-executive Director of our Company.

Mr. TANG has over 10 years of experience in accounting, financial management and investment banking. Most notably, from September 2006 to September 2008 and then January 2010 to October 2014, Mr. TANG served as an associate and an executive director of the investment banking department at Goldman Sachs Gao Hua Securities Co., Ltd. (高盛高華證券有限責任公司). From October 2008 to January 2010, Mr. TANG served as a deputy general manager in the investment banking department in China International Capital Corporation Limited (中國國際金融股份有限公司). From June 2015 to December 2015, he served as an investment director at CNIC Co., Ltd. (國新國際(中國)投資有限公司). From January 2016 to September 2018, Mr. TANG served as the chief financial officer of NavInfo Co., Ltd. (北京四維圖新科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002405). Since October 2018, Mr. TANG has been serving as the chief financial officer and secretary to the board of directors of AsiaInfo Company Limited (亞信科技(成都)有限公司). Since August 2020, Mr. TANG has been serving as an independent non-executive director of Joy Spreader Group Inc. (樂享集團有限公司), formerly known as Joy Spreader Interactive Technology. Ltd (乐享互动有限公司), a company listed on the Stock Exchange (stock code: 6988). Since June 2023, Mr. TANG has been serving as the chief financial officer of Beijing Huimei Cloud Technology Co., Ltd.

Mr. TANG obtained his bachelor's degree in international financial management from China University of Petroleum-Beijing (中國石油大學(北京)) in July 1998. He obtained his master's degree in business management from University of International Business and Economics (對外經濟貿易大學) in June 2001. Mr. TANG has been accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since October 2001 and has been admitted as a Fellow of the Association of Chartered Certified Accountants (FCCA) since December 2010.

Ms. XU Xiao'ou (徐曉鷗), aged 53, is an independent non-executive Director of our Company.

Ms. XU obtained a master's degree in journalism from Fudan University in the PRC in June 2011, and a master's degree in business administration from China Europe International Business School in the PRC in October 2015.

She was appointed as a director of Linmon Media Limited (a company listed on the Stock Exchange with stock code 9857) on June 10, 2021 and was re-designated as an executive director and vice president of Linmon Media Limited on September 24, 2021, primarily responsible for intellectual property development, script development and production. She has been serving in Shanghai Linmon Picture Media Co., Ltd. ("**Shanghai Linmon**") as a director since September 2014, and as an executive vice president of Shanghai Linmon since October 2014. Ms. XU has approximately 16 years of experience in TV series producing. She served at the Radio and Television Station of Shanghai (上海廣播電視台) from 2006 to 2014 and held positions successively as the director of the planning department of the drama centre of SMG and a deputy general manager in SMG Pictures, responsible for drama series script planning and production. Ms. XU was recognized as a Level Two Screenwriter (二級編劇) by the Shanghai Art Series Senior Professional Technical Position Qualification Review Committee (上海市藝術系列高級專業技術職務任職資格審定委員會) in December 2011. Ms. XU has received multiple awards for her achievements in media industry, including "Top 10 TV Series Producers" by the China Radio and Television Association in August 2012, "Producer of the Year" by the China Television Drama Production Industry Association in December 2019, "Innovation Pioneer of the Year" by New Weekly in November 2020, and "Leading Talents in Radio, Television and Online Audiovisual Industry" (全國廣播電視和網絡視聽行業領軍人才) by the National Radio and Television Administration of the PRC (中華人民共和國國家廣播電視總局) in June 2021.

SENIOR MANAGEMENT

Mr. CAO Yi (曹懿), aged 48, is the Chief Financial Officer of our Company. Mr. CAO Yi has resigned as joint company secretary of the Company on March 21, 2025. Mr. CAO Yi has also been the vice president and chief financial officer of Weimob Development since August 2016. Mr. CAO Yi is primarily responsible for the overall financial management, financial matters and strategic development of our Group. He has 15 years of experience in the financial management and accountancy industry.

Prior to joining our Group, from August 2003 to June 2010, Mr. CAO Yi served as a manager at KPMG Huazhen (Special General Partnership) (畢馬威華振會計師事務所(特殊普通合夥)). From June 2010 to August 2015, he served as a senior finance manager at GE (China) Co., Ltd. (通用電氣(中國)有限公司), mainly responsible for the financial management of GE's strategic alliance with China XD Electric Co., Ltd. From August 2015 to December 2015, Mr. CAO Yi served as the deputy chief financial officer of SPI Energy Co., Ltd. (Nasdaq: SPI) (上海美柚新能源科技有限公司), responsible for the financial management of overseas businesses. From December 2015 to July 2016, Mr. CAO Yi served as the finance director of Shenzhen Bincent Technology Co., Ltd. (深圳市彬訊科技有限公司), responsible for its overall financial management.

Mr. CAO Yi obtained his bachelor's degree in international business management from Shanghai International Studies University (上海外國語大學) in July 1999 and his master's degree in business management from Shanghai International Studies University in March 2002. He was accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in December 2010. He has been a member of the Association of Chartered Certified Accountants (ACCA) since October 2013.

Mr. FEI Leiming (費雷鳴), aged 45, is an executive Director and the Chief Human Resources Officer of our Company. Please refer to his biography in the paragraph headed "Directors – Executive Directors" in this section.

DIRECTORS' REPORT

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

GLOBAL OFFERING

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on January 30, 2018, the shares of which were listed on the Main Board of the Stock Exchange on January 15, 2019.

PRINCIPAL ACTIVITIES

The Group is principally engaged in provision of cloud-based commerce and marketing solutions and targeted marketing services on Tencent's social networking service platforms for small and medium businesses in China. The analysis of the Group's revenue and contribution to results by business segments are set out in notes 6 and 7 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of comprehensive loss on pages 82 to 83 of the Report.

FINAL DIVIDEND

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

BUSINESS REVIEW

The business review and performance analysis of the Group for the Reporting Period is set out in the section headed "Chairman's Statement" from pages 5 to 12 and "Management Discussion and Analysis" from pages 13 to 30 of the Report. A description of the Group's future business development is set out in the section headed "Chairman's Statement" from pages 5 to 12 of the Report.

Compliance with Laws and Regulations

During the year ended December 31, 2024, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material aspects.

Environmental Policies and Performance

The Company attaches great importance to environmental protection and resource conservation, and continuously pays attention to the impact of its business operations on the environment. The Group is committed to maintaining the common development of economy, environment and society, and promoting awareness of environmental protection and resource conservation in its daily operations. The Group strictly follows the relevant environment protection laws and regulations of the PRC and adopts various electricity-saving and water-saving management measures, including management over air-conditioning settings in office areas and enhancing management and maintenance of water equipment, thereby improving efficiency, and minimizing resource consumption. During the Reporting Period, the Company did not find any environmental-related violations.

For details of the Company's environmental policies and performance, and the important relationship between the Company and its employees, customers and suppliers, please refer to the Environmental, Social and Governance Report of the Company for the year ended December 31, 2024, published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's own website (http://www.weimob.com) according to the Listing Rules.

Principal Risks and Uncertainties

The Group is exposed to various risks in its business operations, primarily including: (i) reliance on Tencent's platforms and services to conduct its businesses; (ii) failure to improve and enhance the functionality, performance, reliability, design, security, and scalability of its products and services to suit its clients' evolving needs, (iii) failure to develop and maintain successful relationships with its local channel partners, and (iv) systems disruptions, distributed denial of service attacks, or other hacking and phishing attacks on its systems and security breaches.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 4 of the Report. This summary does not form part of the audited consolidated financial statements.

ISSUE OF THE 2024 CONVERTIBLE BONDS

On September 5, 2024, the Bond Issuer 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 placees (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 the Report, 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.

As of December 31, 2024, the outstanding 2024 Convertible Bonds, with US$40,000,000 principal amount, are convertible into a maximum of 243,338,523 Shares at the initial conversion price of HK$1.30 per Share. Assuming the outstanding 2024 Convertible Bonds were fully exercised at the initial conversion price of HK$1.30 per Share on December 31, 2024, the shareholdings of the Company immediately before and after the full exercise of the outstanding 2024 Convertible Bonds are set out below for illustration purposes:

	Shareholding immediately before the full exercise of the outstanding 2024 Convertible Bonds		Assuming the outstanding 2024 Convertible Bonds are fully converted into new Shares at the initial conversion price of HK$1.30 each	
Shareholder	**No. of Shares**	**% of issued ordinary share capital of the Company**	**No. of Shares**	**% of issued ordinary share capital of the Company**
Shares held by Substantial Shareholders Group(1)				
Yomi.sun Holding Limited(2)	240,599,000	7.13%	240,599,000	6.65%
Jeff.Fang Holding Limited(3)	5,220,000	0.15%	5,220,000	0.14%
Alter.You Holding Limited(4)	42,422,000	1.26%	42,422,000	1.17%
Sub-total:	288,241,000	8.54%	288,241,000	7.96%
Shares held by public Shareholders				
Bondholders of the 2024 Convertible Bonds	298,752,237	8.85%	542,090,760	14.98%
Other public Shareholders	2,789,170,390	82.61%	2,789,170,390	77.06%
Sub-total:	3,087,922,627	91.46%	3,331,261,150	92.04%
Total	3,376,163,627	100.00%	3,619,502,150	100.00%

Notes:

(1) Mr. SUN Taoyong, Mr. FANG Tongshu and Mr. YOU Fengchun are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. SUN Taoyong, Mr. FANG Tongshu and Mr. YOU Fengchun is deemed to be interested in the Shares held by other members of the Substantial Shareholders Group.

(2) Yomi.sun Holding Limited is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN Taoyong as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN Taoyong and his family members are the beneficiaries of the Youmi Trust. Mr. SUN Taoyong is also a director of Yomi.sun Holding Limited. As such, each of Mr. SUN Taoyong, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Yomi.sun Holding Limited. Mr. SUN Taoyong is an executive Director.

(3) Jeff.Fang Holding Limited is wholly-owned by Mr. FANG Tongshu who is an executive Director.

(4) Alter.You Holding Limited is wholly-owned by Fount Investment Limited. Fount Investment Limited is beneficially owned by the Fount Trust, which was established by Mr. YOU Fengchun as the settlor, appointor and investment manager. Infiniti Trust (Asia) Limited is the trustee of the Fount Trust, and Mr. YOU Fengchun and his family members are the beneficiaries of the Fount Trust. Mr. YOU Fengchun is also a director of Alter.You Holding Limited. As such, each of Mr. YOU Fengchun, Infiniti Trust (Asia) Limited and Fount Investment Limited is deemed to be interested in the Shares held by Alter.You Holding Limited. Mr. YOU Fengchun is an executive Director.

The Board considers that the issue of 2024 Convertible Bonds is an opportunity to optimize the capital structure and diversify funding sources of the Group since (i) the issue of 2024 Convertible Bonds can provide the Company with additional funds at lower funding cost support the Group's business development; (ii) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (iii) in the event that the 2024 Convertible Bonds are converted into new Shares, the Company can improve its capital base, benefiting the long-term development of the Company. The issue of 2024 Convertible Bonds is being undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support a healthy and sustainable development of the Company.

Based on the cash and cash equivalents as at December 31, 2024 and the cash flow from operating activities of the Company, the Company has the ability to meet its redemption obligation under the 2024 Convertible Bonds.

Pursuant to the terms and conditions of the 2024 Convertible Bonds, the implied rate of return of the 2024 Convertible Bonds is 1%.

Details of the 2024 Convertible Bonds were disclosed in the announcements of the Company dated August 30, 2024, September 5, 2024 and September 6, 2024.

THE 2024 PLACING

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 (the "**2024 Placing**"). The closing price of the Shares as quoted on 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 placees and their ultimate beneficial owners became a substantial Shareholder 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.

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** *(US$ million)*	**Unutilized net proceeds as of December 31, 2024** *(US$ million)*	**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.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2024, the transaction amounts of the Group's top five customers accounted for 24.9% (2023: 29.6%) of the Group's total revenues while the transaction amounts of our single largest customer, Shenzhen Tencent Culture Media Company Limited, accounted for 16.6% (2023: Beijing Tencent Culture Media Company Limited, 20.3%) of the Group's total revenues.

Major Suppliers

For the year ended December 31, 2024, the transaction amounts of the Group's top five suppliers accounted for 50.1% (2023: 56.8%) of the total purchases while the transaction amounts of our single largest supplier, China Construction Eighth Engineering Division Co., Ltd., accounted for 16.7% (2023: Tencent Cloud Computing (Beijing) Co., Ltd, 17.0%) of the Group's total purchases.

During the Reporting Period, none of the Directors, any of their close associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the number of the issued Shares) was interested in the top five customers or suppliers of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 33 to the consolidated financial statements.

DIRECTORS’ REPORT

RESERVES

Details of the movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity on pages 86 and 87 of the Report. As at December 31, 2024, the Company’s reserves available for distribution amounted to approximately RMB8,089 million (as at December 31, 2023: RMB7,551 million).

BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2024 are set out in note 31 to the consolidated financial statements.

DIRECTORS

The Directors during the Reporting Period and up to the date of the Report are as follows:

Executive Directors:
Mr. SUN Taoyong *(Chairman)*
Mr. FANG Tongshu
Mr. YOU Fengchun
Mr. FEI Leiming *(appointed on August 21, 2024)*
Mr. GUO Junxian *(resigned on August 21, 2024)*

Independent Non-executive Directors:
Dr. LI Xufu
Mr. TANG Wei
Ms. XU Xiao’ou
Dr. SUN Mingchun *(resigned on January 16, 2024)*

In accordance with Article 16.19 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

In accordance with Article 16.2 of the Articles of Association, The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

Accordingly, Mr. SUN Taoyong, Mr. FEI Leiming, Mr. TANG Wei and Ms. XU Xiao’ou shall retire by rotation at the AGM and they being eligible, offer themselves for re-election.

Details of the Directors to be re-elected at the AGM are set out in the circular to be sent to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 31 to 34 of the Report.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors are independent during the Reporting Period and up to the date of the Report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date or the date of his appointment and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from the Listing Date or the date of her appointment and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Save as disclosed above, none of the Directors has entered into, or has proposed to enter into, a service contract with the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year ended December 31, 2024 and up to the date of the Report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period and up to the date of the Report.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Details of the emoluments of the Directors, and the five highest paid individuals during the Reporting Period are set out in notes 9 and 39 to the consolidated financial statements respectively.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in notes 9 and 39 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of December 31, 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Interests in Shares

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (%)	Long/short position
Mr. SUN Taoyong ("**Mr. SUN**")	Settlor of a discretionary trust[1]; interest held jointly with other persons[2]	288,241,000 66,000,000	8.54 1.95	Long position Short position
Mr. FANG Tongshu ("**Mr. FANG**")	Interest in controlled corporation[3]; interest held jointly with other persons[2]	288,241,000 66,000,000	8.54 1.95	Long position Short position
Mr. YOU Fengchun ("**Mr. YOU**")	Settlor of a discretionary trust[4]; interest held jointly with other persons[2]	288,241,000 66,000,000	8.54 1.95	Long position Short position
Mr. FEI Leiming ("**Mr. FEI**")	Beneficial owner	2,650,000	0.08	Long position

Notes:

(1) Mr. SUN's interest in the Company is indirectly held through Yomi.sun Holding Limited ("**Sun SPV**"). Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.

(2) Mr. SUN, Mr. FANG and Mr. YOU are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. SUN, Mr. FANG and Mr. YOU is deemed to be interested in the Shares held by other members of the Substantial Shareholders Group.

(3) Jeff.Fang Holding Limited ("**Fang SPV**") is wholly-owned by Mr. FANG. Under the SFO, Mr. FANG is deemed to be interested in the Shares held by Fang SPV.

(4) Mr. YOU's interest in the Company is indirectly held through Alter.You Holding Limited ("**You SPV**"). You SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Fount Investment Limited. Fount Investment Limited is beneficially owned by the Fount Trust, which was established by Mr. YOU as the settlor, appointor and investment manager. Infiniti Trust (Asia) Limited is the trustee of the Fount Trust, and Mr. YOU and his family members are the beneficiaries of the Fount Trust. Mr. YOU is also a director of You SPV. As such, each of Mr. YOU, Infiniti Trust (Asia) Limited and Fount Investment Limited is deemed to be interested in the Shares held by You SPV.

Save as disclosed above, as of December 31, 2024, none of the Directors or the chief executive of the Company (including their spouses and children under 18 years of age) had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in the Report, at no time during the Reporting Period was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18 were granted any right to subscribe for the share capital or debt securities of the Company or any other body corporate, or had exercised any such right.

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

As of December 31, 2024, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Interests in Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (%)	Long/short position/ lending pool
Cantrust (Far East) Limited	Trustee[(1)]	240,599,000	7.13	Long position
		66,000,000	1.95	Short position
Youmi Investment Limited	Interest in controlled corporation[(1)]	240,599,000	7.13	Long position
		66,000,000	1.95	Short position
Sun SPV	Beneficial interest[(1)]	240,599,000	7.13	Long position
		66,000,000	1.95	Short position
Tencent Mobility Limited	Beneficial interest[(2)]	84,306,000	2.50	Long position
Huang River Investment Limited	Beneficial interest[(2)]	212,568,461	6.30	Long position
Tencent Holdings Limited	Interest in controlled corporation[(2)]	296,874,461	8.79	Long position
JPMorgan Chase & Co.	Beneficial interest; person having a security interest in shares; approved lending agent[(3)]	341,782,812	10.12	Long position
		161,817,657	4.79	Short position
		98,512,306	2.92	Lending pool

Notes:

(1) Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.

(2) Tencent Mobility Limited and Huang River Investment Limited are wholly-owned subsidiaries of Tencent Holdings Limited. Under the SFO, Tencent Holdings Limited is deemed to be interested in 84,306,000 Shares held by Tencent Mobility Limited and 212,568,461 Shares held by Huang River Investment Limited.

(3) JPMorgan Chase & Co. holds equity interests in the Shares through the companies directly controlled by it.

Save as disclosed above, as of December 31, 2024, the Directors were not aware of any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO.

2018 RSU PLAN

The 2018 restricted stock unit plan (the "**2018 RSU Plan**") of the Company was approved and adopted by the Board on July 1, 2018 (the "**2018 RSU Plan Adoption Date**"). The purpose of the 2018 RSU Plan is to recognize and reward participants for their contribution to the Group, to attract best available personnel to provide services to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business. For more information on the 2018 RSU Plan, please refer to the section headed "F. RSU PLAN" under Statutory and General Information in Appendix IV of the Prospectus. Certain principal terms and details of the RSU Plan are summarized as follows:

Effectiveness and Duration

Subject to any early termination as may be determined by the Board pursuant to terms of the 2018 RSU Plan, the 2018 RSU Plan shall be valid and effective for a period of 10 years commencing on the 2018 RSU Plan Adoption Date, after which no awards will be granted, but the provisions of this RSU Plan shall in all other respects remain in full force and effect and the awards granted during the term of the 2018 RSU Plan may continue to be valid and exercisable in accordance with their respective terms of grant. Currently, the remaining life of the 2018 RSU Plan is approximately three years and two months.

Administration

The 2018 RSU Plan shall be subject to the administration of the administrator (the "**Administrator**"), being (i) prior to the Listing, Mr. SUN Taoyong, and (ii) immediately after the consummation of the Listing, the committee comprising of certain members appointed by the Board from time to time, in accordance with the terms and conditions of the 2018 RSU Plan. The Administrator may, from time to time, select the participants to whom a grant of a RSU (the "**2018 RSU Awards**") may be granted.

The Administrator shall have the sole and absolute right to (a) interpret and construe the provisions of the 2018 RSU Plan, (b) determine the persons who will be granted 2018 RSU Awards under the 2018 RSU Plan, the terms and conditions on which 2018 RSU Awards are granted and when the RSUs granted pursuant to the 2018 RSU Plan may vest, (c) make such appropriate and equitable adjustments to the terms of the 2018 RSU Awards granted under the 2018 RSU Plan as it deems necessary; and (d) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (a), (b) and (c).

Who may join

Those eligible to participate in the 2018 RSU Plan (the "**2018 RSU Plan Participants**") include: (a) full-time employees (including directors, officers and members of senior management) of the Group; and (b) any person who, in the sole opinion of the Administrator, has contributed or will contribute to any member of the Group (including business partners of any member of the Group, such as suppliers, clients, or any persons who provide technical support, consultancy, advisory or other services to any member of the Group).

The maximum number of 2018 RSU Awards that may be granted to each 2018 RSU Plan Participant shall not exceed 1% of the Shares in issue of the Company as of the date of adoption of the 2018 RSU Plan.

Purchase price

The grant to 2018 RSU Plan Participants is nil consideration.

Maximum number of shares

The total number of Shares underlying the 2018 RSU Plan (the "**2018 RSU Limit**") shall not exceed the aggregate of 14,099 Shares as of the date of adoption of the 2018 RSU Plan initially held by the Weimob Teamwork as transferred from a company wholly-owned by Mr. SUN Taoyong, representing 4.12% of the issued Shares as of the 2018 RSU Plan Adoption Date (on a fully diluted and as-converted basis assuming all the Shares underlying the 2018 RSU Plan have been issued). Immediately following the completion of the capitalization issue and the global offering of the Company on January 15, 2019, the aggregate number of Shares held by the Weimob Teamwork was 70,495,000 Shares. Weimob Teamwork has been appointed as the trustee pursuant to the trust deed to administrate the 2018 RSU Plan.

Details of the RSUs granted under the 2018 RSU Plan

As disclosed in the announcement of the Company dated May 28, 2021, the Board approved the grant of the 2018 RSU Awards in respect of an aggregate of 1,900,000 underlying Shares to five grantees for nil consideration under the 2018 RSU Plan, which would be vested to grantees within four years subject to other conditions in the 2018 RSU Plan. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As of December 31, 2024, the aggregate number of Shares underlying the granted RSUs under the 2018 RSU Plan was 70,495,000 Shares, representing approximately 2.09% of the issued share capital of the Company as of December 31, 2024, and the aggregate number of Shares underlying the vested RSUs under the 2018 RSU Plan was 70,033,000 Shares. As of the date of the Report, the aggregate number of Shares underlying the granted RSUs and the aggregate number of Shares underlying the vested RSUs under the 2018 RSU Plan remained unchanged.

The aggregate number of Shares available for further grant under the 2018 RSU Plan is 162,000 Shares, representing approximately 0.01% of the issued share capital of the Company as of the date of the Report.

The purchase price of the 2018 RSU Awards granted was RMB0 and the 2018 RSU Awards granted vested in four to six tranches over a four-year vesting period.

The outstanding RSUs granted pursuant to the 2018 RSU Plan were fully vested in 2023. There were no granted, vested, cancelled or lapsed of RSUs pursuant to the 2018 RSU Plan during the Reporting Period.

2020 RSU SCHEME

The 2020 restricted share unit scheme (the "**2020 RSU Scheme**") of the Company (including the RSU Scheme Annual Mandate, as defined below) was adopted by the Board on May 25, 2020 and was approved and adopted by the Shareholders at the annual general meeting of the Company held on June 29, 2020 (the "**2020 RSU Scheme Adoption Date**") and its amendments were approved and adopted by the Shareholders at the annual general meeting of the Company on June 21, 2023. The purpose of the 2020 RSU Scheme is to recognize and reward participants for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them to remain with and further promote the success of the Group's business. For more information on the 2020 RSU Scheme, please refer to the announcements of the Company dated May 25, 2020 and May 30, 2023 and the circulars of the Company dated May 28, 2020 and May 31, 2023. Certain principal terms and details of the 2020 RSU Scheme are summarized as follows:

Participants of the 2020 RSU Scheme

The Participants of the 2020 RSU Scheme shall include Employee Participants, Related Entity Participants and Service Providers (as defined in the circular of the Company dated May 31, 2023).

Subject to any early termination as may be determined by the Board according to the 2020 RSU Scheme, the 2020 RSU Scheme shall be valid and effective for a period of 10 years commencing on June 29, 2020. Currently, the remaining life of the 2020 RSU Scheme is approximately five years and two months.

Total Number of Shares Available for Issue under the 2020 RSU Scheme

The total number of Shares available for issue under the 2020 RSU Scheme is 279,459,499, representing approximately 8.28% of the issued share capital of the Company as of the date of the Report.

Maximum Entitlement of Each Participant under the 2020 RSU Scheme

Where any grant of options or Awards to a participant would result in the total number of Shares issued to be issued in respect of all options and Awards granted (excluding any options and Awards lapsed in accordance with the terms of the 2020 RSU Scheme) under the 2020 RSU Scheme in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules with such participant and his/her close associate (or associates, if the participant is a connected person (as defined under the Listing Rules)), or such persons as may be required under the Listing Rules from time to time, abstaining from voting. The number and terms of the Award to be granted to such participant must be fixed before the approval of all the Shareholders.

Where any grant of RSUs under the 2020 RSU Scheme (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates would result in the Shares issued and to be issued in respect of all RSUs and awards granted (excluding any RSUs lapsed in accordance with the terms of the 2020 RSU Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such grant of RSUs must be approved by Shareholders in general meeting (with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Where any grant of RSUs or options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs, options and awards granted (excluding any awards and options lapsed in accordance with the terms of the 2020 RSU Scheme or any share option scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of RSUs must be approved by Shareholders in general meeting (with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Vesting Period

Where any grant of RSUs or options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs, options and awards granted (excluding any awards and options lapsed in accordance with the terms of the 2020 RSU Scheme or any share option scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of RSUs must be approved by Shareholders in general meeting (with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

There is no amount payable on the application or acceptance of the award and it is not applicable for the period within which payments or calls must or may be made or loans for such purposes must be repaid. There is no purchase price of shares awarded.

Details of the outstanding RSUs granted pursuant to the 2020 RSU Scheme and the movements during the Reporting Period are set out below:

Category of grantee	Grant date	Closing price immediately prior to date of grant *(HK$)*	Number of Shares Underlying the RSUs as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of Shares underlying the RSUs outstanding as of December 31, 2024	Vesting period	Weighted average closing price of Shares immediately prior to the vesting date *(RMB)*
Employee (in aggregate)	October 15, 2020	11.42	3,314,050	–	2,352,000	413,300	548,750	October 15, 2020 to October 15, 2024	1.61
	May 28, 2021	18.00	5,591,250	–	3,202,875	580,500	1,807,875	May 28, 2021 to May 28, 2025	1.55
	December 20, 2021	7.69	5,584,500	–	2,122,500	1,290,500	2,171,500	December 20, 2021 to October 15, 2025	1.61
	April 4, 2023	4.78	14,073,375	–	3,164,375	5,341,750	5,567,250	April 4, 2023 to April 4, 2027	1.50
	December 12, 2023	3.09	5,816,400	–	2,482,075	996,875	2,337,450	December 12, 2023 to December 12, 2027	1.52
Total			**34,379,575**	**–**	**13,323,825**	**8,622,925**	**12,432,825**		

Notes:

1. No RSU was cancelled during the Reporting Period.

2. The performance targets for all the RSUs granted pursuant to the 2020 RSU Scheme during the Reporting Period shall be based on the grantees' performance rank in the said anniversary year. The performance rank is linked to the performance of the grantees in the said anniversary year as assessed by the Group.

3. As no RSUs were granted under the 2020 RSU Scheme or any other schemes of the Company during the Reporting Period, the total number of Shares that may be issued in respect of RSUs granted under all schemes of the Company during the Reporting Period divided by the weighted average number of the Shares (excluding treasury Shares) in issue during the Reporting Period was 0%.

4. The total number of awards available for grant under the scheme mandate of the 2020 RSU Scheme as at January 1, 2024 was 273,643,099. The total number of awards available for grant under the scheme mandate of the 2020 RSU Scheme as at December 31, 2024 was 273,643,099, being the total number of Shares which may be issued in respect of awards to be granted under the 2020 RSU Scheme or share options or awards to be granted under any other schemes of the Company. The total number of awards available for grant under the service provider sublimit of the 2020 RSU Scheme as at January 1, 2024 and December 31, 2024 were 27,945,949 and 27,945,949, respectively.

THE ACCOUNTING STANDARD AND POLICY ADOPTED

The fair value of the employee service received in exchange for the grant of RSUs is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

(i) Including any market performance conditions (for example, an entity's share price);

(ii) Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

(iii) Including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest.

At the end of each reporting period, the Group revises its estimates of the number of RSUs that are expected to vest based on the non-marketing performance and service conditions. It recognized the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

EQUITY-LINKED AGREEMENT

Save as disclosed in the Report, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during the Reporting Period.

CHANGES TO DIRECTORS’ INFORMATION

Dr. SUN Mingchun resigned as an independent non-executive Director, members of the Audit Committee and the Nomination Committee and chairman of the Remuneration Committee with effect from January 16, 2024 due to personal work arrangement. Mr. GUO Junxian has been appointed as an executive Director with effect from January 16, 2024. Furthermore, Dr. LI Xufu has been appointed as the chairman of the Remuneration Committee, Ms. XU Xiao’ou has been appointed as members of the Audit Committee and the Remuneration Committee, and Mr. Tang Wei has been appointed as a member of the Nomination Committee, with effect from January 16, 2024.

Mr. GUO Junxian resigned as an executive Director with effect from August 21, 2024 due to personal work arrangement. Mr. FEI Leiming has been appointed as an executive Director with effect from August 21, 2024.

Save as disclosed in the Report, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of the Report.

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 additional 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 at 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Board is not aware of any Shareholder who enjoy any tax relief and exemption as a result of holding the securities of the Company.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates had any interests in business, which compete or are likely to compete either directly or indirectly, with the business of the Group.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of related party transactions in the normal course of business are set out in note 38 to the consolidated financial statements. Such transactions do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. During the Reporting Period, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

DONATIONS

During the Reporting Period, there were no charitable or other donations made by the Group.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period, the Company was not involved in any material legal proceeding or arbitration. To the best knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period and up to the date of the Report, there were no permitted indemnity provisions which were or are currently in force and are beneficial to the Directors (whether they were entered into by the Company or others) or any directors of the Company's connected companies (if they were entered into by the Company). The Company has purchased appropriate liability insurance for Directors and senior staff members.

SUBSEQUENT EVENT

In January 2025, principal amount of USD39,800,000 of the 2024 Convertible Bonds were converted into ordinary Shares 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 the Report, there are no material subsequent events undertaken by the Group after December 31, 2024 and up to the date of the Report.

AUDIT COMMITTEE

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.

CORPORATE GOVERNANCE

The Company is committed to maintaining high level of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 56 to 75 of the Report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public at any time during the Reporting Period and up to the date of the Report.

AUDITOR

PricewaterhouseCoopers is appointed as auditor of the Company for the year ended December 31, 2024. PricewaterhouseCoopers has audited the accompanying financial statements which were prepared in accordance with the HKFRS.

PricewaterhouseCoopers is subject to retirement and, being eligible, offers itself for re-appointment at the AGM. A resolution for re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the AGM.

There have been no changes of auditor in the past three years.

By order of the Board
Sun Taoyong
Chairman of the Board

Shanghai, March 21, 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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.

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.

BOARD OF DIRECTORS

Culture

Our actions are guided by our mission and values

Mission of Weimob Inc.

Driving business innovation through digital technology to make business smarter

Values of Weimob Inc.

Honesty and Integrity – Act in integrity and good faith
Cooperation and Innovation – Co-sharing and co-responsible
Customer First – Customer first and result oriented
Embrace changes – Embrace changes and trust the future

Our values and organizational culture help us to make right choices in a variety of daily business and working environments, adhere to the ethics and behaviours with which we treat our customers and employees, create an inclusive working environment, support the welfare of our employees and expand and release our potential.

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against its Directors, and will conduct annual review on such insurance coverage.

BOARD COMPOSITION

As at the date of the Report, the Board comprised four executive Directors and three independent non-executive Directors as set out below:

Executive Directors:

Mr. SUN Taoyong
Mr. FANG Tongshu
Mr. YOU Fengchun
Mr. FEI Leiming *(appointed on August 21, 2024)*

Independent Non-executive Directors:

Dr. LI Xufu
Mr. TANG Wei
Ms. XU Xiao'ou

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of the Report.

During the Reporting Period, the Board has met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Save as disclosed in the biographies of the Directors as set out in the section headed "Directors and Senior Management" of the Report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Company understands that the independence of the Board is essential to good corporate governance. The Board has established a mechanism to enable Directors to seek independent professional advice to make decisions when exercising their duties as Directors, ensuring that the Board has a strong independent element, which is the key to an effective Board.

According to the mechanism, with the prior approval of the executive Directors (without unreasonable refusal or delay of approval), the Directors may, where appropriate, seek independent legal, financial or other professional advice from advisers independent of the Company as necessary to enable them to perform their duties effectively.

The Board will review the mechanism annually to ensure its implementation and effectiveness.

As regards the code provision under the Corporate Governance Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

BOARD DIVERSITY POLICY

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a board diversity policy (the "**Board Diversity Policy**") to ensure that the Company will, when determining the composition of the Board, consider board diversity in terms of, among other things, gender, age, cultural and educational background, professional experience, skills and knowledge. All appointments by the Board will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board Diversity Policy is summarized as follows:

The Board Diversity Policy sets out the objective and provides that all appointments of the members of the Board should be made on merit, in the content of the talents, skills and experience the Board as a whole requires to be effective. The Nomination Committee will review and assess the composition of the Board and make recommendations to the Board on appointment of members of the Board. Meanwhile, the Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, professional experience, skills, knowledge, education background, age, gender, cultural and ethnicity and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on the Board. Since Listing, the Nomination Committee has reviewed the Board Diversity Policy and its compliance with the Corporate Governance Code to ensure its continued effectiveness and the Company will disclose in its corporate governance report about the implementation of the Board Diversity Policy on annual basis.

Having reviewed the Board composition and assessed the suitability of the Directors' skills and experience to the Company's business, the Nomination Committee confirmed that the existing Board was appropriately structured and no change was required. The Board has one female Director currently. The Company will also ensure that there is gender diversity in staff recruitment at mid to senior levels so as to develop a pipeline of potential successors to the Board.

As at December 31, 2024, approximately 52% of all employees (including senior management) of the Group were male. The Group will continue to maintain gender diversity among employees. For further details on gender ratios and measures taken to enhance gender diversity and related data, please refer to the disclosure in the Environmental, Social and Governance Report 2024 of the Company published on the same day on the Stock Exchange by the Company.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All newly appointed Directors would be provided with necessary induction and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide the Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Company encourages continuous professional development training for all the Directors to develop and refresh their knowledge and skills. The joint company secretaries of the Company update and provide the Directors with written training materials in relation to their roles, functions and duties from time to time.

Based on the information provided by the Directors, during the year ended December 31, 2024, a summary of training received by the Directors is as follows:

Name of Director	**Nature of continuous professional development**
Mr. SUN Taoyong	D
Mr. FANG Tongshu	D
Mr. YOU Fengchun	D
Mr. GUO Junxian *(resigned on August 21, 2024)*	D
Mr. FEI Leiming *(appointed on August 21, 2024)*	D
Dr. LI Xufu	D
Mr. TANG Wei	D
Ms. XU Xiao'ou	D
Dr. SUN Mingchun *(resigned on January 16, 2024)*	D

Notes:

A: attending seminars and/or conferences and/or forums and/or briefings
B: making speeches at seminars and/or conferences and/or forums
C: participating in training provided by law firms and that relating to the business of the Company
D: reading materials on various topics, including corporate governance matters, directors' duties and responsibilities, Listing Rules and other relevant laws

Mr. FEI Leiming was appointed as an executive Director on August 21, 2024. He has obtained the legal advice on August 20, 2024 from the legal adviser of the Company qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed company, his obligations as a Director, and the possible consequences of making false declarations or giving false information to the Stock Exchange. Mr. FEI Leiming has confirmed his understanding of the information provided by the legal adviser of the Company.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1 of the Corporate Governance Code, the roles of chairman of the Board and chief executive officer should be separate and should not be performed by the same individual.

Mr. SUN Taoyong currently serves as the Chairman of the Board and chief executive officer of the Company. He is responsible for formulation of business plans, strategies and other major decisions of the Group, as well as overall management of the Group. The Board believes that at the current stage of development of the Group, vesting the roles of both Chairman and the chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also meets regularly on a quarterly basis to review the operations of the Company led by Mr. SUN. Accordingly, the Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the management of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date or the date of his appointment and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial fixed term of three year commencing from the Listing Date or the date of her appointment and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Save as disclosed above, none of the Directors has entered into, or has proposed to enter into, a service contract with the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Pursuant to the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 or Article 16.3 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and for making recommendations to the Board on the appointment, re-appointment of Directors and succession plans for the Directors.

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board meetings and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying meeting papers are dispatched to the Directors or Board Committee members at least three days before the Board meetings or Board Committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the Board meetings or Board Committee meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the joint company secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by all Directors.

During the year ended December 31, 2024, six Board meetings were held and one general meeting was convened by the Board. Attendance of each Director at the Board meetings and the annual general meeting of the Company held on May 10, 2024 is set out below:

Director	**Board meetings attended/Eligible to attend**	**General meeting attended/Eligible to attend**
Mr. SUN Taoyong	6/6	1/1
Mr. FANG Tongshu	6/6	1/1
Mr. YOU Fengchun	6/6	1/1
Mr. GUO Junxian *(resigned on August 21, 2024)*	3/3	1/1
Mr. FEI Leiming *(appointed on August 21, 2024)*	3/3	0/0
Dr. LI Xufu	6/6	1/1
Mr. TANG Wei	6/6	1/1
Ms. XU Xiao'ou	6/6	1/1
Dr. SUN Mingchun *(resigned on January 16, 2024)*	1/1	0/0

Apart from regular Board meetings, the Chairman of the Board also holds meetings with the independent non-executive Directors without the presence of other Directors during each year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all 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.

DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The Directors could have resources to seek independent professional advice in performing their duties at the Company's expense. The Directors are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTIONS

The Board confirmed that corporate governance is a collective responsibility of the Directors, whose corporate governance functions include:

(a) review and monitor the Company's policies and practices in complying with legal and regulatory requirements;

(b) review and monitor the training and continuous professional development of the Directors and senior management;

(c) develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors;

(d) develop and review the Company's corporate governance and practices, make recommendations and report on related issues to the Board;

(e) review the Company's compliance with the corporate governance and disclosures in the corporate governance report; and

(f) review and monitor the Company's compliance with its whistleblowing policy.

THE BOARD COMMITTEES

Audit Committee

The Audit Committee currently consists of Mr. TANG Wei, Dr. LI Xufu and Ms. XU Xiao'ou, being all independent non-executive Directors. The Audit Committee is chaired by Mr. TANG Wei.

The primary duties of the Audit Committee are:

Relationship with the Company's auditors

(a) being primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor; and approving the remuneration and terms of engagement of the external auditor, and considering any questions of its resignation or dismissal;

(b) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(c) developing and implementing policies on engaging an external auditor to supply non-audit services (for this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally) and reporting to the Board and making recommendations on any matters where action or improvement is needed;

(d) discussing with the external auditor the nature and scope of the audit and relevant reporting obligations, and ensuring co-ordination where more than one audit firm is involved before the audit commences;

Review of the Company's financial information

(e) monitoring integrity of the Company's financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained therein. In reviewing these statements and reports before submission to the Board, the Audit Committee shall focus particularly on:

    (i) any changes in accounting policies and practices;

    (ii) major judgmental areas;

    (iii) significant adjustments resulting from audit;

    (iv) the going concern assumptions and any qualifications;

    (v) compliance with accounting standards; and

    (vi) compliance with the Listing Rules and any requirements from the Stock Exchange and legal requirements in relation to financial reporting;

(f) regarding (e) above: (i) liaising with the Board and the senior management; (ii) meeting at least twice a year with the Company's auditor; and (iii) considering any significant or unusual items that are, or may need to be, reflected in the financial reports and accounts and giving due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

Oversight of the Company's financial reporting system, risk management and internal control systems

(g) reviewing the Company's financial controls, risk management and internal control systems;

(h) discussing the risk management and internal control systems with the senior management, ensuring that the senior management has performed their duties to establish effective systems and to review annually the effectiveness, adequacy and appropriateness of those systems. This review should include adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(i) conducting research on major investigation findings of risk management and internal control matters and the senior management's response to these findings on its own initiative or as delegated by the Board;

(j) ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced to operate and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;

(k) reviewing the Company's financial and accounting policies and practices;

(l) reviewing the external auditor's management letter, any material queries raised by the auditor to the senior management about accounting records, financial accounts or systems of control and senior management's response;

(m) ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(n) reporting to the Board on the matters in the terms of reference;

(o) reviewing the following arrangements set by the Company: employees of the Company can raise concerns about possible improprieties in financial reporting, internal control or other matters in confidence; and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions by the Company;

(p) acting as the key representative body for overseeing the Company's relations with the external auditor;

(q) formulating a whistle-blowing policy and system by the Audit Committee to allow employees and those who have dealings with the Company (such as customers and suppliers) to raise, in confidence, any concern regarding any possible improprieties about the Company to the Audit Committee; and

(r) conducting any other matters related to the Audit Committee in accordance with the instructions from the Board from time to time.

Terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

Two meetings were held by the Audit Committee during the year ended December 31, 2024 and the attendance of each Audit Committee member at the Audit Committee meetings is set out in the table below:

Director	**Attended/Eligible to attend**
Mr. TANG Wei	2/2
Dr. LI Xufu	2/2
Ms. XU Xiao'ou *(appointed on January 16, 2024)*	2/2
Dr. SUN Mingchun *(resigned on January 16, 2024)*	0/0

During the meetings, the Audit Committee:

- reviewed the annual results of the Group for the year ended December 31, 2023 and the interim results of the Group for the six months ended June 30, 2024 as well as the relevant financial reports;

- reviewed the audit report prepared by the auditor relating to accounting issues and major findings in course of audit; and

- reviewed the financial reporting system, compliance procedures, risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function), risk management systems and processes and the re-appointment of the auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the auditor.

Nomination Committee

The Nomination Committee currently consists of two independent non-executive Directors, Dr. LI Xufu and Mr. TANG Wei and one executive Director, Mr. SUN Taoyong. The Nomination Committee is chaired by Mr. SUN Taoyong.

The primary duties of the Nomination Committee are:

(a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) making recommendations to the Board on the appointment or re-appointment of Directors and succession plans for Directors, in particular the chairman and the chief executive officer. The Nomination Committee shall make recommendations on appointment of Directors with due regard to the diversity policy of the Company and in accordance with the challenges and opportunities faced by the Company;

(c) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;

(d) assessing the independence of independent non-executive Directors;

(e) before making any appointment recommendations to the Board, evaluating the balance of Directors based on (including but not limited to) gender, age, cultural and educational background or professional experience, and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall:

   (i) use open advertising or the services of external advisors to facilitate the search;

   (ii) consider candidates from a wide range of backgrounds; and

   (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;

(f) reviewing annually the time required from the non-executive Directors. Performance evaluations should be used to assess whether the non-executive Directors are spending enough time in fulfilling their duties; and

(g) ensuring that the Directors receive a formal letter of appointment from the Board setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

The Nomination Committee assesses candidates or incumbents on the basis of integrity, experience, skills and time and effort devoted in the performance of their duties. The recommendations of the Nomination Committee will then be submitted to the Board for decision. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

Two meetings were held by the Nomination Committee during the year ended December 31, 2024 and the attendance of each Nomination Committee member at the Nomination Committee meeting is set out in the table below:

Director	**Attended/Eligible to attend**
Mr. SUN Taoyong	2/2
Dr. LI Xufu	2/2
Mr. TANG Wei *(appointed on January 16, 2024)*	2/2
Dr. SUN Mingchun *(resigned on January 16, 2024)*	0/0

During the meetings, the Nomination Committee:

- reviewed the structure, size and composition of the Board;

- assessed independence of the independent non-executive Directors;

- reviewed the Nomination Policy;
- reviewed the Board Diversity Policy;
- considered the re-appointment of the retiring Directors; and
- considered the appointment of Director.

Nomination Policy

The Nomination Committee reviews the information and documents provided by the nominated candidate as required by the Nomination Policy for Directorship available on the website of the Company and conducts the following process (in accordance with the following criteria) with a view to assessing and evaluating whether such candidate is suitably qualified to be appointed as a Director before making recommendations to the Board:

1. to assess such candidate's qualifications, skills, knowledge, ability and experience and also potential time commitment and attention to perform director's duties under common law, legislation and applicable rules, regulations and guidance (including without limitation the Listing Rules and the "Guidance for Boards and Directors" published by the Stock Exchange (the "**Guidance for Boards and Directors**")), with reference to the corresponding professional knowledge and industry experience which may be relevant to the Company and also the potential contributions that such candidate could bring to the Board (including potential contributions in terms of qualifications, skills, experience, independence and gender diversity);

2. in addition and without prejudice to Paragraph 1 above, to assess such candidate's personal ethics, integrity and reputation (including without limitation to conduct appropriate background checks and other verification processes against such candidate);

3. with reference to the Board Diversity Policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition (including without limitation the balancing of the skills, knowledge, ability, experience and diversity of perspectives appropriate to the requirements of the Company's business) of the Board and the Company's corporate strategy, with due regard for the benefits of the appropriate diversity of the Board and also such candidate's potential contributions thereto;

4. to consider Board succession planning considerations and the long-term needs of the Company;

5. in case of a candidate for an independent non-executive Director, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive directors set out in code provision B.3.4 of Appendix C1 to the Listing Rules and in the Guidance for Boards and Directors; and

6. to consider any other factors and matters as the Nomination Committee may consider appropriate.

Remuneration Committee

The Remuneration Committee currently consists of two independent non-executive Directors, Dr. LI Xufu and Ms. XU Xiao'ou and one executive Director, Mr. SUN Taoyong. The Remuneration Committee is chaired by Dr. LI Xufu.

The primary duties of the Remuneration Committee are:

(a) making recommendations to the Board on all the Company's remuneration policy and structure for the Directors and senior management and on the establishment of formal and transparent procedures for developing remuneration policy;

(b) being responsible for either (i) determining, with delegated responsibility by the Board, the remuneration packages of the individual executive Directors and senior management; or (ii) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management (this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment);

(c) making recommendations to the Board on the remuneration of non-executive Directors;

(d) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company;

(e) reviewing and approving the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;

(f) reviewing and approving compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive;

(g) reviewing and approving compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(h) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration;

(i) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules;

(j) advising the Shareholders on how to vote with respect to any service contracts of the Directors that require the Shareholders' approval under the Listing Rules; and

(k) reviewing the Company's policy on expense reimbursements for the Directors and senior management.

Terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

Two meetings were held by the Remuneration Committee during the year ended December 31, 2024 and the attendance of each Remuneration Committee member at the Remuneration Committee meeting is set out in the table below:

Director	**Attended/Eligible to attend**
Dr. LI Xufu	2/2
Mr. SUN Taoyong	2/2
Ms. XU Xiao'ou *(appointed on January 16, 2024)*	2/2
Dr. SUN Mingchun *(resigned on January 16, 2024)*	0/0

During the meetings, the Remuneration Committee discussed and reviewed the remuneration packages for Directors and senior management of the Company and made recommendations to the Board on the remuneration packages of individual Directors and senior management of the Company.

Remuneration of Directors and Senior Management

For the year ended December 31, 2024, for the remuneration policy of the Directors of the Company, please refer to the section headed "Directors' Report – Emolument Policy", and the remuneration of Directors and senior management of the Company (whose biographies are set out on pages 31 to 34 of the Report) by band is set out below:

Band of remuneration (RMB)	**Number of individuals**
0 – 500,000	4
500,001 – 1,000,000	3
> 1,000,000	1

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2024 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company has provided all members of the Board with monthly updates on the Company's performance, positions and prospects.

During the year ended December 31, 2024, the Group reported a net loss of RMB1,743,950,000 and net operating cash outflows of RMB332,223,000. As at December 31, 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 December 31, 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 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The Directors have reviewed the Group's cash flow projections prepared by the management, covering a period of at least twelve months from December 31, 2024. In the opinion of the Directors, based on the implemented plans and measures and considering the underlying bases of the management's cash flow forecasts, the Group will have sufficient financial resources to meet its obligations as they become due in the coming twelve months from December 31, 2024. Accordingly, the Directors have concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Company's external auditor, PricewaterhouseCoopers, has issued an unmodified opinion with a "Material Uncertainty related to Going Concern" section in the "Independent Auditor's Report". Please refer to the "Independent Auditor's Report" from page 76 of the Report for details.

The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on page 76 of the Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group is exposed to various risks in its business operations, primarily including: (i) reliance on Tencent's platforms and services to conduct its businesses; (ii) failure to improve and enhance the functionality, performance, reliability, design, security, and scalability of its products and services to suit its clients' evolving needs; (iii) failure to develop and maintain successful relationships with its local channel partners; and (iv) systems disruptions, distributed denial of service attacks, or other hacking and phishing attacks on its systems and security breaches.

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement, loss or fraud.

The executive Directors, with the coordination of the management of the Group, strive to develop, implement and maintain an internal control and risk management system by conducting on-going business reviews, evaluating significant risks faced by the Group, formulating appropriate policies, programs and authorization criteria, conducting business variance analyses of actual result versus business plan, undertaking critical path analyses to identify the impediments in attaining the corporate goals and initiating corrective measures, following up on isolated cases, identifying inherent deficiencies in the internal control system, and making timely remedies and adjustments to avoid recurrence of problems.

The Board has entrusted the Audit Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. The review covers all material controls, including financial, operational and compliance controls.

Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The main features of risk management and internal control structure of the Company are as follows:

- heads of major operation units or departments manage risks through identification and mitigating risks identified in accordance with the internal guidelines approved by the Board and the Audit Committee; and

- the management ensures appropriate actions are taken on major risks affecting the Group's businesses and operations.

During the Reporting Period, major works performed by the management in relation to risk management and internal control included the followings:

- each major operation unit or department was responsible for daily risk management activities, including identifying major risks that may impact on the Group's performance, assessing and evaluating the identified risks according to their likely impacts and the likelihood of occurrence, formulating and implementing measures, controls and response plans to manage and mitigate such risks;

- the management, together with the finance department, monitored and reviewed the risk management and internal control systems on an ongoing basis and reported to the Audit Committee regarding the status of the systems;

- the management periodically followed up and reviewed the implementation of the measures, controls and response plans to major risks identified in order to make sure that sufficient attention, monitor and responses were paid to all major risks identified; the management reviewed the risk management and internal control systems periodically to identify process and control deficiencies, and designed and implemented corrective actions to address such deficiencies; and

- the management ensured appropriate procedures and measures such as safeguarding assets against unauthorized use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications, etc. are in place.

The internal audit function of the Company monitors the internal governance of the Company and provides independent assurances as to the adequacy and effectiveness of the Company's risk management and internal control systems. The senior executive in charge of the internal audit function reports directly to the Audit Committee. The internal audit reports on control effectiveness are submitted to the Audit Committee in line with agreed audit plan approved by the Board. During the Reporting Period, the internal audit function carried out an analysis and independent appraisal of the adequacy and effectiveness of the risk management and internal control systems of the Company through, amongst others, examination of risk-related documentation prepared by operation units and the management and conducting interviews with employees at all levels. The senior executives in charge of the internal audit function attended meetings of the Audit Committee to explain the internal audit findings and responded to queries from members of the Audit Committee.

The Company has maintained internal guidelines for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations. Senior executives of the investor relations, corporate affairs and financial control functions of the Group are delegated with responsibilities to control and monitor the proper procedures to be observed on the disclosure of inside information. Access to inside information is at all times confined to relevant senior executives and confined on "need-to-know" basis. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed. Other procedures such as pre-clearance on dealing in the Company's securities by Directors and designated members of the management, notification of regular blackout period and securities dealing restrictions to Directors and employees, and identification of project by code name have also been implemented by the Company to guard against possible mishandling of inside information within the Group.

The Company has adopted arrangement to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Audit Committee reviews such arrangement regularly to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

During the Reporting Period, the Audit Committee reviewed the effectiveness of the risk management and internal control systems of the Company. The annual review included works such as (i) review of reports submitted by the external professional firm regarding the implementation of the risk management and internal control systems, as well as the respective internal audit findings; (ii) periodic discussions with the management and senior executives regarding the effectiveness of the risk management and internal control systems and the works of the internal audit function. Such discussions included the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions; (iii) evaluation on the scope and quality of the management's ongoing monitoring of the risks management and internal control systems; (iv) review of the effectiveness of the internal audit function to ensure coordination within the Group and between the Company's internal and external auditors and to ensure the internal audit function is adequately resourced and has appropriate standing within the Group; and (v) provision of recommendations to the Board and the management on the scope and quality of the management's ongoing monitoring of the risk management and internal control systems.

On the basis of the aforesaid, during the Reporting Period, the Audit Committee was not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the risk management and internal control of the Company.

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls maintained by the Group throughout the Reporting Period provides reasonable assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risks.

The Board, through the reviews made by the Audit Committee, had reviewed the effectiveness and the adequacy of the internal control systems of the Group and considered them to have been implemented effectively. Considerations were also given to the adequacy of resources, qualifications, and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.

AUDITOR'S REMUNERATION

The auditor's approximate remuneration in respect of the audit and non-audit services provided to the Company for the year ended December 31, 2024 is as follows:

Type of services	**Amount** *(RMB'000)*
Audit services	5,420
Non-audit services	1,150
Total	**6,570**

JOINT COMPANY SECRETARIES

Mr. CAO Haidong is the joint company secretary of the Company and is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed. Mr. CAO Haidong has been appointed as the joint company secretary of the Company with effect from March 21, 2025 to replace Mr. Cao Yi, who resigned on the same day. Please refer to the announcement of the Company dated March 21, 2025 for details.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. NG Sau Mei ("**Ms. NG**"), the director of the Listing Services Department of TMF Hong Kong Limited (a company secretarial service provider), as another joint company secretary of the Company to assist Mr. CAO Haidong to discharge his duties as company secretary of the Company. Mr. CAO Haidong is her primary contact person in the Company.

During the Reporting Period, Mr. CAO Yi and Ms. NG have undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information on the Company for the Shareholders and investors to make informed investment decisions.

The annual general meetings of the Company provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees will attend the annual general meetings to answer the Shareholders' questions. The auditor of the Company will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

To promote effective communication and to build an inter-relationship and communication channel between the Company and the Shareholders, the Company adopts a shareholders' communication policy (the "**Shareholders' Communication Policy**") and maintains a website at www.weimob.com, where the up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

During the year ended December 31, 2024, the Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy. Due to the adoption of the above measures, the Shareholders' Communication Policy is deemed to have been effectively implemented.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

DIVIDEND POLICY

As advised by the Company's Cayman Islands legal advisor, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict the Company from declaring and paying dividends to its Shareholders out of either its profit or its share premium account, provided that this would not result in the Company being unable to pay its debts as they fall due in the ordinary course of business. As the Company is a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from its subsidiaries. The PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRS. Any dividends the Company pays will be determined at the absolute discretion of the Board, taking into account factors including the Company's actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that the Board deems to be appropriate. The Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by the Board.

CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

Pursuant to the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda and signed by the requisitionists, provided that such requisitionists held as of the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per Share basis, of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda and signed by the requisitionist, provided that such requisitionist held as of the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per Share basis, of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

As regards proposing a person for election as a Director, the relevant procedures are available on the website of the Company.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board may send their enquiries to the headquarters of the Company at Weimob Building, No. 258, Changjiang Road, Baoshan District, Shanghai, the PRC or through mail (email box: ir@weimob.com).

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Company approved the amendments to the Articles of Association at the annual general meeting of the Company held on May 10, 2024. The latest Articles of Association are available on the websites of the Stock Exchange and the Company.

Save as disclosed above, during the Reporting Period, there was no change on the Articles of Association.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Weimob Inc.
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Weimob Inc. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 82 to 210, comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the consolidated statement of comprehensive loss for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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 December 31, 2024, the Group reported a net loss of RMB1,743,950,000 and net operating cash outflows of RMB332,223,000. As at December 31, 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 December 31, 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

The key audit matter identified in our audit is related to Impairment assessment of goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill Refer to note 20 to the consolidated financial statements. As at December 31, 2024, the Group had goodwill balance of RMB695 million after impairment provision. The management performed impairment assessment on goodwill, with the assistance of an external independent appraiser, annually or more frequently if events or changes in circumstances indicate that they might be impaired. To assess the impairment, the goodwill has been allocated to the operating segment level which comprises one or more cash-generating units ("group of CGUs"). The impairment assessment was based on a value in use model that required significant management's judgements on key assumptions including revenue growth rates, gross margins, terminal growth rates, and pre-tax discount rate applicable to the operating segment. We focused on this area due to the significance of goodwill and the subjectivity and uncertainty of significant assumptions of the impairment assessments.	We have performed the following procedures to address this key audit matter: i. Understood, evaluated and validated the key controls over the Group's goodwill impairment assessment, including the valuation model adopted and key assumptions made by the management. ii. Evaluated management's identification of CGU and the allocation of goodwill to the operating segment which comprises one or more CGUs. iii. Assessed the competency, independency and objectivity of the external independent appraiser engaged by the Group. iv. Assessed the reasonableness of valuation methodologies and tested, on a sample basis, the key assumptions used in the valuation with the involvement of our internal valuation specialists. Compared the key assumptions applied by management with historical business performance and future development plans at operating segment level with reference to our understanding of the business and available industry information and market data. v. Tested, on a sample basis, the arithmetical accuracy of impairment computation. vi. Reviewed the sensitivity analyses performed by the management on the key assumptions in the discounted cash flow forecasts and assessed whether the judgements would give rise to indicators of management bias. Based on the above, we considered that management's judgements and assumptions applied in impairment assessment of goodwill were supportable by the evidence obtained and procedures performed.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Weimob Inc. 2024 Annual Report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including the financial summary and business review, chairman's statement, management discussion and analysis prior to the date of this auditor's report. The remaining other information, including the corporate governance report, report of the directors and the other sections to be included in the annual report, are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jack Li.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, March 21, 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the year ended December 31, 2024

	Note	Year ended December 31 2024 RMB'000	2023 RMB'000
Revenue	*7*	**1,339,255**	2,227,684
Cost of sales	*8*	**(742,931)**	(744,159)
Gross profit		**596,324**	1,483,525
Selling and distribution expenses	*8*	**(1,014,048)**	(1,551,483)
General and administrative expenses	*8*	**(616,802)**	(714,254)
Net impairment losses on financial assets	*4.1*	**(91,362)**	(30,491)
Other income	*10*	**40,842**	85,090
Other (losses)/gains, net	*11*	**(346,114)**	123,322
Operating loss		**(1,431,160)**	(604,291)
Finance costs	*12*	**(273,746)**	(151,223)
Finance income	*13*	**12,006**	33,889
Share of net losses of associates accounted for using the equity method	*22*	**(24,909)**	(10,479)
Change in fair value of convertible bonds		**(69,394)**	5,747
Loss before income tax		**(1,787,203)**	(726,357)
Income tax credit/(expenses)	*14*	**43,253**	(34,901)
Loss for the year		**(1,743,950)**	(761,258)
Loss attributable to:			
– Equity holders of the Company		**(1,728,493)**	(758,251)
– Non-controlling interests		**(15,457)**	(3,007)
		(1,743,950)	(761,258)

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the year ended December 31, 2024

	Note	Year ended December 31 **2024** **RMB'000**	 2023 RMB'000
Other comprehensive loss, net of tax			
Items that may not be subsequently reclassified to profit or loss			
Change in fair value of financial liabilities from own credit risk		**(157)**	–
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(1,604)**	(6,416)
Total comprehensive loss for the year		**(1,745,711)**	(767,674)
Total comprehensive loss attributable to:			
– Equity holders of the Company		**(1,730,254)**	(764,667)
– Non-controlling interests		**(15,457)**	(3,007)
		(1,745,711)	(767,674)
Loss per share attributable to the equity holders of the Company (expressed in RMB per share)			
– Basic loss per share	*16*	**(0.57)**	(0.28)
– Diluted loss per share	*16*	**(0.57)**	(0.28)

The notes on pages 90 to 210 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	As at December 31 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	*17*	**451,683**	273,802
Right-of-use assets	*18*	**361,618**	398,801
Investment properties	*19*	**32,100**	34,530
Intangible assets	*20*	**844,460**	1,274,654
Deferred income tax assets	*27*	**63,008**	23,555
Contract acquisition cost	*7*	**21,251**	18,814
Investments accounted for using the equity method	*22*	**263,072**	297,581
Financial assets at fair value through profit or loss	*4.3, 25*	**511,120**	707,404
Prepayments, deposits and other assets	*28*	**4,900**	8,964
Total non-current assets		**2,553,212**	3,038,105
Current assets			
Contract acquisition cost	*7*	**42,738**	96,900
Prepayments, deposits and other assets	*28*	**1,949,373**	1,621,631
Trade and notes receivables	*29*	**166,307**	353,305
Financial assets at fair value through other comprehensive income	*24*	**450,490**	247,554
Financial assets at fair value through profit or loss	*4.3, 25*	**77,383**	308,057
Term deposits	*30*	**–**	22,378
Restricted cash	*30*	**526,930**	513,406
Cash and cash equivalents	*30*	**1,194,203**	1,666,760
Total current assets		**4,407,424**	4,829,991
Total assets		**6,960,636**	7,868,096
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*33*	**2,298**	1,882
Shares held for RSU scheme	*33*	**(144)**	(161)
Share premium	*33*	**9,449,301**	8,784,371
Equity component of convertible bonds	*26*	**76,842**	245,808
Other reserves	*34*	**(596,843)**	(855,915)
Accumulated losses		**(7,204,478)**	(5,475,828)
		1,726,976	2,700,157
Non-controlling interests		**85,780**	102,097
Total equity		**1,812,756**	2,802,254

	Note	As at December 31 2024 RMB'000	 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss	*4.3, 25*	**37,595**	37,595
Other financial liabilities measured at amortised cost	*26*	**369,780**	126,014
Bank borrowings	*31*	**158,642**	385,520
Lease liabilities	*18*	**15,556**	27,884
Contract liabilities	*7*	**49,473**	54,308
Deferred income tax liabilities	*27*	**1,576**	7,142
Other non-current liabilities	*32*	**2,906**	2,906
Total non-current liabilities		**635,528**	641,369
Current liabilities			
Financial liabilities measured at fair value through profit or loss	*4.3, 25*	**21,269**	24,063
Other financial liabilities measured at amortised cost	*26*	**323**	1,305,992
Bank borrowings	*31*	**2,064,104**	1,352,723
Lease liabilities	*18*	**22,394**	31,950
Trade and other payables	*32*	**2,187,419**	1,434,799
Contract liabilities	*7*	**204,557**	263,375
Current income tax liabilities		**12,286**	11,571
Total current liabilities		**4,512,352**	4,424,473
Total liabilities		**5,147,880**	5,065,842
Total equity and liabilities		**6,960,636**	7,868,096

The notes on pages 90 to 210 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 82 to 210 were approved by the Board of Directors on March 21, 2025 and were signed on its behalf.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

		Attributable to equity holders of the Company								
	Note	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	Total 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	*26(b)*	–	–	–	–	(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	*26(b)*	–	–	–	–	157	(157)	–	–	–
Transaction with owners										
Issuance of ordinary shares	*33*	197	283,855	–	–	–	–	284,052	–	284,052
Share issuance costs	*33*	–	(6,700)	–	–	–	–	(6,700)	–	(6,700)
Issuance of ordinary shares for share-based compensation	*33*	4	–	(4)	–	–	–	–	–	–
Share-based compensation expenses for non-controlling shareholders	*35(b)*	–	–	–	–	–	–	–	1,539	1,539
Share-based compensation expenses for employees	*35(a)*	–	–	–	–	25,490	–	25,490	–	25,490
Transfer of vested RSUs		–	–	21	–	(21)	–	–	–	–
Buy-back of convertible bonds	*26(a)*	–	–	–	(245,808)	245,808	–	–	–	–
Recognition of equity component of 2024 Convertible Bonds	*26(c)*	–	–	–	171,182	–	–	171,182	–	171,182
Conversion of 2024 Convertible Bonds	*26(c)*	215	387,775	–	(94,340)	–	–	293,650	–	293,650
Transaction with non-controlling interests	*34(a), 35(b)*	–	–	–	–	(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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

		Attributable to equity holders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'00	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	Total RMB'000
As at January 1, 2023		1,717	7,475,254	(39,110)	(644)	335,474	(905,569)	(4,717,577)	2,149,545	91,501	2,241,046
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		–	–	–	–	–	(6,416)	(758,251)	(764,667)	(3,007)	(767,674)
				–							
Transaction with owners											
Issuance of ordinary shares	*33*	167	1,369,660	–	–	–	–	–	1,369,827	–	1,369,827
Share issuance costs	*33*	–	(21,445)	–	–	–	–	–	(21,445)	–	(21,445)
Issuance of ordinary shares for share-based compensation	*33*	10	–	–	(10)	–	–	–	–	–	–
Transfer of vested RSUs		–	–	–	493	–	(493)	–	–	–	–
Buy-back of 2021 Convertible Bonds	*26(a)*	–	–	–	–	(89,666)	(30,421)	–	(120,087)	–	(120,087)
Cancellation of buy-back shares	*33*	(12)	(39,098)	39,110	–	–	–	–	–	–	–
Share-based compensation expenses for non-controlling shareholders	*35(b)*	–	–	–	–	–	–	–	–	2,769	2,769
Share-based compensation expenses for employees	*35(a)*	–	–	–	–	–	80,035	–	80,035	–	80,035
Transaction with non-controlling interests	*35(b)*	–	–	–	–	–	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	*41*	–	–	–	–	–	–	–	–	15,783	15,783
Transactions with owners in their capacity for the year		165	1,309,117	39,110	483	(89,666)	56,070	–	1,315,279	13,603	1,328,882
As at December 31, 2023		1,882	8,784,371	–	(161)	245,808	(855,915)	(5,475,828)	2,700,157	102,097	2,802,254

The notes on pages 90 to 210 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	Year ended December 31 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash used in operations	*36*	**(255,209)**	(572,899)
Interest received		**12,006**	34,403
Interest paid		**(87,969)**	(56,574)
Income tax paid		**(1,051)**	(634)
Net cash used in operating activities		**(332,223)**	(595,704)
Cash flows from investing activities			
Purchase of investments measured at fair value through profit or loss (current and non-current portion)	*4.3*	**(733,602)**	(1,614,218)
Proceeds from disposals of investments measured at fair value through profit or loss	*4.3*	**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	*22*	**–**	(62,500)
Receipt of dividends from associates	*22*	**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	*36(a)*	**107**	1,384
Purchase of intangible assets	*20*	**–**	(910)
Payment for development costs	*20*	**(20,481)**	(180,373)
Loans to related parties	*38(b)*	**(255,800)**	(129,500)
Repayments from related parties	*38(b)*	**198,220**	2,113
Loan to a third party		**(9,759)**	–
Repayment from a third party		**253**	25,498
Net cash generated from/(used in) investing activities		**48,033**	(288,579)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	Year ended December 31 2024 RMB'000	2023 RMB'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	*33(b)*	**284,052**	1,369,827
Transaction costs of share issuance	*33(b)*	**(6,700)**	(21,445)
Proceeds from issuance of bonds measured at fair value through profit or loss ("FVPL")	*26*	**604,061**	–
Buy-back of bonds measured at FVPL	*26*	**(593,011)**	(128,798)
Proceeds from issuance of convertible bonds at amortised cost	*26*	**623,727**	–
Buy-back of convertible bonds at amortised cost	*26*	**(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	*38(b)*	**–**	(7,226)
Payment for borrowings due to a third party		**–**	(2,250)
Pre-acquisition dividends paid to non-controlling interests in subsidiaries	*38(b)*	**–**	(4,703)
Principal elements of lease payments		**(38,227)**	(55,943)
Decrease in deposits pledged for bank borrowings	*30(b)*	**561,312**	219,664
Increase in deposits pledged for bank borrowings	*30(b)*	**(559,022)**	–
Increase in deposits pledged for cross currency swaps	*30(b)*	**(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	*34(a)*	**(13,000)**	–
Net cash (used in)/generated from financing activities		**(171,992)**	821,709
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
Cash and cash equivalents at end of the year		**1,194,203**	1,666,760

The notes on pages 90 to 210 are an integral part of these consolidated financial statements.

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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iii) Going concern basis (Continued)

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 totalling 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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iii) Going concern basis (Continued)

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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(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 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Principle of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

3 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

3.2 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's primary subsidiaries are incorporated in the PRC and these subsidiaries consider RMB as their functional currency. Acting as extension of subsidiaries, the Company and the intermediate investment holding companies elected RMB as their functional currency. The functional currency of its overseas operation subsidiary and its subsidiary which acts as extension of the oversea operation subsidiary are United States Dollars ("USD"). The consolidated financial statements are presented in RMB, which is the Company's and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within "Other (losses)/gains, net".

(iii) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(3) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as asset and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

3.3 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held, as disclosed in Note 3.3(iii). For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

3.3 Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "Other income" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other (losses)/gains, net" together with foreign exchange gains and losses. Impairment losses are presented in "Net impairment losses on financial assets" in the consolidated statement of comprehensive loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of comprehensive loss and recognised in "Other (losses)/gains, net".

- FVPL: Assets that do not meet the criteria for amortised cost or financial assets at FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in "Other (losses)/gains, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in "Other income" when the Group's right to receive payments is established.

Changes in the fair value of financial assets measured at FVPL are recognised in "Other (losses)/gains, net" as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

3.3 Financial assets (Continued)

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 4.1 for further details.

3.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

3.5 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.6 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: mainly market risk (including foreign exchange risk and fair value interest rate risk), price risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(i) Market risk

(a) Foreign exchange risk

Apart from one oversea subsidiary and its subsidiary whose functional currency is USD, the functional currency of the Company and majority of its subsidiaries is RMB. The majority of the revenues of the Group are derived from operations in the PRC.

Foreign exchange risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect its financial position and results of operations. The foreign exchange risk facing the Group mainly comes from cash and cash equivalents, term deposits, bonds and convertible bonds measured and investments in Hong Kong listed equity security dominated in USD or HKD.

The Group does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at December 31, 2024, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, the Group's post-tax loss for the year ended December 31, 2024 would have approximately RMB11,969,000 higher/lower, as a result of net foreign exchange gains on translation of net monetary liabilities denominated in USD (2023: RMB57,022,000 higher/lower, as a result of net foreign exchange gains on translation of net monetary liabilities denominated in USD).

As at December 31, 2024, if HKD had strengthened/weakened by 5% against RMB with all other variables held constant, the Group's post-tax loss for the year ended December 31, 2024 would have approximately RMB324,000 (2023: RMB2,273,000) lower/higher, as a result of net foreign exchange gains on translation of net monetary assets denominated in HKD.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(i) Market risk (Continued)

(b) Fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash, term deposits and loan to related parties and third parties and wealth management products, details of which have been disclosed in Note 28 and Note 30.

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 31. All the Group's borrowings were carried at fixed rates, which expose the Group to fair value interest-rate risk.

(ii) Price risk

The Group's exposure to price risk arises from its investments in Hong Kong listed companies ("Listed Companies") and investment in unlisted companies which are classified as financial asset at FVPL (Note 25(a)). The investments were made for strategic purposes or for the purpose of achieving investment yield.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of FVPL at the end of each reporting period. As of December 31, 2024, if the price of the respective instruments is 5% lower/higher and all other variables are held constant, the Group's post-tax loss for the year ended December 31, 2024 would have been approximately RMB21,995,000 higher/lower (2023: RMB30,637,000).

(iii) Credit risk

The Group is exposed to credit risk in relation to its cash and term deposits at banks, trade and notes receivables, other receivables as well as financial assets carried at FVOCI. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group has four types of financial assets that are subject to HKFRS 9's expected credit loss model:

- Cash and term deposits at banks
- Trade and notes receivables
- Other receivables
- Financial assets carried at FVOCI

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(a) Credit risk of cash and term deposits at banks

To manage this risk, the Group only makes transactions with state-owned banks, reputable commercial banks in the PRC and reputable international banks outside of the PRC which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these banks. The expected credit loss is close to zero.

(b) Credit risk of trade and notes receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations; and
- actual or expected significant changes in the operating results of customers.

To measure the expected credit losses, trade and notes receivables have been grouped based on the shared credit risk characteristics by industry sector and the days past due.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(b) Credit risk of trade and notes receivables (Continued)

i) Notes receivables in relation to merchant solutions services

As at December 31, 2024, notes receivables represented receivables in relation to payment on behalf of advertisers, the loss allowance as at December 31, 2024 and 2023 were determined as follows.

		Pass due				
	Within credit term	0 – 30 days	31 – 90 days	91 days – 120 days	Over 120 days	Total
December 31, 2024						
Expected loss rate	0.57%					
Gross carrying amount – notes receivables (in RMB'000)	3,849	–	–	–	–	3,849
Loss allowance (in RMB'000)	22	–	–	–	–	22

		Pass due				
	Within credit term	0 – 30 days	31 – 90 days	91 days – 120 days	Over 120 days	Total
December 31, 2023						
Expected loss rate	0.20%					
Gross carrying amount – notes receivables (in RMB'000)	13,669	–	–	–	–	13,669
Loss allowance (in RMB'000)	28	–	–	–	–	28

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(b) Credit risk of trade and notes receivables (Continued)

ii) Trade receivables in relation to merchant solutions services

As at December 31, 2024 and 2023, trade receivables represented rebates receivable in the form of cash granted by the media publishers.

		Pass due				
	Within credit term	0 – 30 days	31 – 90 days	91 days – 120 days	Over 120 days	Total
December 31, 2024						
Expected loss rate	0.06%					
Gross carrying amount – trade and notes receivables (in RMB'000)	60,627	–	–	–	–	60,627
Loss allowance (in RMB'000)	34	–	–	–	–	34

		Pass due				
	Within credit term	0 – 30 days	31 – 90 days	91 days – 120 days	Over 120 days	Total
December 31, 2023						
Expected loss rate	0.08%					
Gross carrying amount – trade and notes receivables (in RMB'000)	99,156	–	–	–	–	99,156
Loss allowance (in RMB'000)	80	–	–	–	–	80

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(b) Credit risk of trade and notes receivables (Continued)

iii) Trade receivables in relation to subscription solution services

Trade receivables in relation to subscription solution services have been identified as a separate group against receivables in relation to advertising services by consideration of different risk characteristics. The loss allowance of trade receivables in relation to subscription solution services as at December 31, 2024 and 2023 was determined as follows:

	Within credit term	Overdue 0 – 30 days	Overdue 31 – 90 days	Overdue 91 days – 120 days	Overdue Over 120 days	Total
December 31, 2024						
Expected loss rate	0.57%	3.32%	11.89%	43.03%	64.00%	
Gross carrying amount – trade and notes receivables (in RMB'000)	94,086	858	3,913	3,516	5,710	108,083
Loss allowance (in RMB'000)	535	28	465	1,513	3,655	6,196

	Within credit term	Overdue 0 – 30 days	Overdue 31 – 90 days	Overdue 91 days – 120 days	Overdue Over 120 days	Total
December 31, 2023						
Expected loss rate	0.20%	0.82%	2.41%	13.27%	20.16%	
Gross carrying amount – trade and notes receivables (in RMB'000)	231,395	1,316	1,828	179	8,024	242,742
Loss allowance (in RMB'000)	458	11	44	24	1,617	2,154

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(b) Credit risk of trade and notes receivables (Continued)

iii) Trade receivables in relation to subscription solution services (Continued)

Trade and notes receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

As at December 31, 2024, among the total loss allowance of RMB52,262,000, the loss allowance of individually impaired trade receivables amounted to RMB46,010,000, which mainly include trade receivables in relation to subscription solution services sold through third parties' channel partners and which the Group terminated due to strategic business downsizing and restructuring, determined as follows:

	Trade receivables RMB'000	**Expected credit loss rate**	**Loss allowance RMB'000**	**Reason**
December 31, 2024				
Relevant channel partners	**89,582**	**51%**	**(46,010)**	**Strategic downsizing and termination of the services, no reasonable expectation of fully recovery.**

As at December 31, 2023, among the total loss allowance of RMB6,224,000, the loss allowance of individually impaired trade receivables amounted to RMB3,962,000, which is in relation trade receivables in relation to subscription solution services due from a related party and determined as follows:

	Trade and notes receivables RMB'000	Expected credit loss rate	Loss allowance RMB'000	Reason
December 31, 2023				
Shanghai Shangyou Network Technology Co., Ltd. ("Syoo")	3,962	100%	(3,962)	No reasonable expectation of fully recovery

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(b) Credit risk of trade and notes receivables (Continued)

iii) Trade receivables in relation to subscription solution services (Continued)

The loss allowances for trade and notes receivables as at December 31 reconcile to the opening loss allowances as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	6,224	576
Provision of doubtful receivables	46,038	5,648
At the end of the year	52,262	6,224

Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The following table summarized customers with greater than 10% of the trade and notes receivables:

	As at December 31	
	2024	2023
Kuaishou Technology ("Kuaishou")	12%	14%

Except for the revenue generated from Kuaishou, the Group has a large number of customers and there is no concentration of credit risk.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(c) Credit risk of other receivables

Other receivables mainly comprise other receivables in relation to payment on behalf of advertisers, deposits, other loan receivables due from third parties and related parties. The directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis for the year. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of the third party;
- significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayable demanded.

A default on a financial asset is when the counterparty fails to make contractual payments/repayable demanded within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a loan or receivable for write off when a debtor fails to make contractual payments repayable demanded greater than 120 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(c) Credit risk of other receivables (Continued)

i) Other receivables in relation to payment on behalf of advertisers

To measure the expected credit losses, other receivables in relation to payment on behalf of advertisers have been grouped based on the shared credit risk characteristics by industry sector and the days past due.

Other receivables in relation to payment on behalf of advertisers represented prepayments to the media publishers on behalf of the advertisers, under which the Group acted as an agent and the target marketing revenue was recognised on net basis. The Group usually receives advance payment from advertisers before the Group makes prepayment to the media publishers to purchase advertising traffic. Sometimes, the Group grants credit limit to advertisers with high reputation or long-term business relationship with Group.

For other receivables in relation to payment on behalf of advertisers, management makes periodic individual assessment as well as collective assessments on the recoverability of other receivables based on historical settlement records and past experiences incorporating forward-looking information.

The Group incorporated the forward-looking factor when determining the expected credit loss. The Group assessed the forward-looking factor by considering the forecast change of macroeconomic factors and the correlation between the macroeconomic factor and the debtors' default risk. By analysing the industry and credit characteristics of the third-party advertisers (the "Debtors"), the Group uses several categories covering different industries for Debtors which reflect their credit risk.

For outstanding balances from long-aged other receivables related to payments made on behalf of advertisers, management makes individual assessment on recoverability of the receivables due to the decrease in credit rating and on-going litigation against them. The Group has ceased business relationship with them and made individual provision accordingly.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(c) Credit risk of other receivables (Continued)

i) Other receivables in relation to payment on behalf of advertisers (Continued)

As at December 31, 2024 and 2023, the loss allowance of individually impaired other receivables in relation to payment on behalf of advertisers is determined as follows:

December 31, 2024

	Other receivables RMB'000	Expected credit loss rate	Loss allowance RMB'000	Reason
Subtotal of individual impaired	**325,642**	**88%**	**(286,068)**	**No reasonable expectation of fully recovery**

December 31, 2023

	Other receivables RMB'000	Expected credit loss rate	Loss allowance RMB'000	Reason
Subtotal of individual impaired	287,360	93%	(268,346)	No reasonable expectation of fully recovery

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(c) Credit risk of other receivables (Continued)

i) Other receivables in relation to payment on behalf of advertisers (Continued)

The loss allowance made on a collective basis for the other receivables in relation to payment on behalf of advertisers as at December 31, 2024 and 2023 was determined as follows:

		Overdue				
	Within credit term	**30 days**	**31 – 90 days**	**91 – 120 days**	**Over 120 days**	**Total**
December 31, 2024						
Expected loss rate	**0.10%-16.61%**	**0.46%-67.59%**	**1.91%-83.43%**	**9.07%-100%**	**100%**	
Gross carrying amount – other receivables in relation to payment on behalf of advertisers (in RMB'000)	**1,206,547**	**43,405**	**50,691**	**9,555**	**–**	**1,310,198**
Loss allowance (in RMB'000)	**8,730**	**3,468**	**8,071**	**5,842**	**–**	**26,111**

		Overdue				
	Within credit term	30 days	31 – 90 days	91 – 120 days	Over 120 days	Total
December 31, 2023						
Expected loss rate	0.17%-25.65%	0.58%-86.15%	1.54%-100%	9.28%-100%	100%	
Gross carrying amount – other receivables in relation to payment on behalf of advertisers (in RMB'000)	862,142	68,311	29,945	1,190	–	961,588
Loss allowance (in RMB'000)	8,825	4,289	6,016	246	–	19,376

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(c) Credit risk of other receivables (Continued)

ii) Deposits, other loan receivables

As at December 31, 2024 and 2023, the loss allowance for deposits, other loan receivables is RMB23,989,000 and RMB1,927,000, respectively.

As at December 31, 2024, the loss allowance of individually impaired non-trade receivables amounted to RMB22,544,000, which is in relation to loan receivables due from two related parties and determined as follows:

December 31, 2024

	Trade receivables RMB'000	Expected credit loss rate	Loss allowance RMB'000	Reason
Shanghai Xiaoke Information Technology Co., Ltd. ("Xiaoke")	**178,150**	**11%**	**(18,803)**	**No reasonable expectation of fully recovery**
Beijing Nengtong Tianxia Network Technology Co., Ltd. ("Nengtong")	**3,741**	**100%**	**(3,741)**	**No reasonable expectation of fully recovery**
Subtotal of individual impaired	**181,891**	**12%**	**(22,544)**	

As at December 31, 2023, there were no individually impaired deposits, other loan receivables due from third parties and related parties.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(c) Credit risk of other receivables (Continued)

ii) Deposits, other loan receivables (Continued)

The loss allowance made on a collective basis for deposits, other loan receivables as at December 31, 2024 and 2023 was RMB1,445,000 and RMB1,927,000, respectively.

Movements on the Group's allowance for impairment of other receivables as at December 31 are as follows:

	Other receivables As at December 31, 2024 RMB'000	2023 RMB'000
At the beginning of the year	**289,649**	266,536
Provision for doubtful receivables	**46,519**	23,113
At the end of the year	**336,168**	289,649

No significant changes to estimation techniques or assumptions were made during the years ended December 31, 2024 and 2023.

(d) Credit risk of financial assets carried at FVOCI

The Group's financial asset carried at FVOCI represents debt instrument in relation to target marketing service where the contractual cash flows are solely principal, and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets (factoring). Considering those debtors are all advertisers with high reputation or long-term business relationship with Group and have high credit rating, the Group's debt investment at FVOCI are considered to have low credit risk.

Movements on the Group's allowance for impairment of debt instruments carried at FVOCI as at December 31 are as follows:

	Debt instruments carried at FVOCI As at December 31, 2024 RMB'000	2023 RMB'000
At the beginning of the year	**3,764**	2,034
Provision/(reversal) for doubtful receivables	**(1,195)**	1,730
At the end of the year	**2,569**	3,764

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iv) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at December 31, 2024					
Trade and other payables (excluding staff costs and welfare accruals, advance from advertisers, advance from subscription solution customers and other tax payable) *(Note 32)*	859,991	–	–	–	859,991
Bank borrowing (including interest accrual up to maturity) *(Note 31)*	2,090,777	31,839	68,226	79,637	2,270,479
Other financial liabilities measured at amortised cost *(Note 26)*	323	323	472,640	–	473,286
Financial liabilities measured at FVPL *(Note 25)*	–	–	–	37,595	37,595
Lease liabilities *(Note 18)*	23,863	12,755	4,103	–	40,721
Other non-current liabilities *(Note 32)*	–	2,906	–	–	2,906
Total	2,974,954	47,823	544,969	117,232	3,684,978

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at December 31, 2023					
Trade and other payables (excluding staff costs and welfare accruals, advance from advertisers, advance from subscription solution customers and other tax payable) *(Note 32)*	324,328	–	–	–	324,328
Bank borrowing (including interest accrual up to maturity) *(Note 31)*	1,385,091	348,030	33,911	30,443	1,797,475
Other financial liabilities measured at amortised cost *(Note 26)*	1,468,484	–	149,933	–	1,618,417
Financial liabilities measured at FVPL *(Note 25)*	–	–	–	37,595	37,595
Lease liabilities *(Note 18)*	33,906	23,608	8,486	–	66,000
Other non-current liabilities *(Note 32)*	–	–	2,906	–	2,906
Total	3,211,809	371,638	195,236	68,038	3,846,721

As at December 31, 2024 and 2023, the financial liabilities at FVPL amounted to RMB21,269,000 and RMB24,063,000 (Note 25) have not been included in above tables because the contractual maturities are not essential for an understanding of the timing of the cash flows.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt (Note 36) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at December 31, 2024 and 2023 were as follows:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Net debt *(Note 36)*	**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%

The net debt to equity ratio increased from 39% to 53%, which was mainly due to the impairment loss of intangible assets and fair value loss of investment in unlisted companies measured at FVPL.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorized by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorized into three levels within a fair value hierarchy as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

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

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

The following table presents the Group's financial assets and liabilities that are measured at fair value as at December 31, 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets measured at FVPL				
– Non-current *(Note 25)*	–	–	511,120	511,120
– Current *(Note 25)*	9,551	–	67,832	77,383
Financial assets measured at FVOCI				
– Current *(Note 24)*	–	–	450,490	450,490
	9,551	–	1,029,442	1,038,993
Liabilities				
Financial liabilities measured at FVPL				
– Current *(Note 25)*	–	–	21,269	21,269
– Non-current *(Note 25)*	–	–	37,595	37,595
	–	–	58,864	58,864

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets measured at FVPL				
– Non-current *(Note 25)*	–	–	707,404	707,404
– Current *(Note 25)*	15,552	–	292,505	308,057
Financial assets measured at FVOCI				
– Current *(Note 24)*	–	–	247,554	247,554
	15,552	–	1,247,463	1,263,015
Liabilities				
Financial liabilities measured at FVPL				
– Current *(Note 25)*	–	–	24,063	24,063
– Non-current *(Note 25)*	–	–	37,595	37,595
	–	–	61,658	61,658

There were no transfers of financial assets and liabilities between level 1, level 2 and level 3 during the year ended December 31, 2024 and 2023.

Financial instruments in level 1

Level 1 financial asset as at December 31, 2024 and 2023 represented Hong Kong listed equity securities (Note 25).

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 financial instruments for the years ended December 31, 2024 and 2023. As one or more of the significant inputs used in the valuation of these instruments is not based on observable market data, the instruments are included in level 3.

	Current Financial assets measured at FVPL *(Note 25)* RMB'000	Non-current financial assets measured at FVPL *(Note 25, 36)* RMB'000	Financial assets measured at FVOCI *(Note 24)* RMB'000	Current financial liabilities measured at FVPL *(Note 25, 26)* RMB'000	Non-current financial liabilities measured at FVPL *(Note 25, 26)* RMB'000	Total RMB'000
Balance as at January 1, 2024	292,505	707,404	247,554	(24,063)	(37,595)	1,185,805
Addition	713,602	20,000	2,033,979	(604,061)	(2,314)	2,161,206
Changes in fair value	11,815	(275,504)	(890)	(66,757)	1,044	(330,292)
Settlements	(950,090)	–	(1,830,153)	672,463	–	(2,107,780)
Conversion of convertible bonds	–	–	–	–	1,292	1,292
Other non-cash movement	–	59,220	–	1,149	(22)	60,347
Balance as at December 31, 2024	67,832	511,120	450,490	(21,269)	(37,595)	970,578
Net unrealized (losses)/gains for the year	10,143	(275,504)	–	(21,269)	1,044	(285,586)

	Current Financial assets measured at FVPL *(Note 25)* RMB'000	Non-current financial assets measured at FVPL *(Note 25(a))* RMB'000	Financial assets measured at FVOCI *(Note 24)* RMB'000	Current financial liabilities measured at FVPL *(Note 25)* RMB'000	Non-current financial liabilities measured at FVPL *(Note 25)* RMB'000	Total RMB'000
Balance as at January 1, 2023	574,797	537,969	323,744	–	(37,595)	1,398,915
Addition	1,587,718	26,500	1,663,892	(7,273)	–	3,270,837
Changes in fair value	6,676	59,935	(916)	(16,790)	–	48,905
Settlements	(1,876,686)	–	(1,739,166)	–	–	(3,615,852)
Other non-cash movement *(Note 41)*	–	83,000	–	–	–	83,000
Balance as at December 31, 2023	292,505	707,404	247,554	(24,063)	(37,595)	1,185,805
Net unrealized (losses)/gains for the year	1,106	59,935	(591)	(16,790)	–	43,660

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

(i) *Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at December 31 2024 RMB'000	Fair value at December 31 2023 RMB'000	Significant unobservable inputs	Range of inputs (probability-weighted average) 2024	Range of inputs (probability-weighted average) 2023	Relationship of unobservable inputs to fair value
Assets						
Investment in unlisted companies *(a)*	462,358	707,404	Discount for lack of marketability ("DLOM")	25.00%- 28.00%	26.00%	Negative correlation
			Weighted average cost of capital ("WACC")	NA	26.00%	Negative correlation
			Price to sales ratio ("P/S Ratio")	3.1-4.3	4.9	Positive correlation
			Risk-free rate	1.18%- 1.30%	2.36%- 2.37%	Negative correlation
			Expected volatility	65.18%- 84.64%	51.74%- 73.51%	Negative correlation
Investment in Fund measured at FVPL *(b)*	10,000	–	N/A	N/A	N/A	N/A
Derivative assets in relation to Shanghai Xiangxinyun Internet Technology Co., Ltd. ("Xiangxinyun") *(c)*	38,762	–	Discount Rate	1.14%	N/A	Negative correlation
Short-term investments at FVPL *(d)*	57,876	292,505	Expected yield	1.35%- 3.50%	1.05%-3.50%	Positive correlation
Derivative assets in relation to cross currency swaps *(e)*	9,956	–	Discount Rate	2.32%- 4.20%	N/A	It depends
Financial assets at FVOCI *(Note 24)*	450,490	247,554	Discount rate	4.61%	4.04%	Negative correlation
Liabilities						
Contingent payable – Shanghai Heading Information Engineering Co., Ltd. ("Heading") *(f)*	37,595	37,595	Discount Rate	4.00%	4.00%	Negative correlation
Financial liability at FVPL in relation to Acewill Information Technology (Beijing) Co., Ltd. ("Acewill") *(g)*	21,269	24,063	Risk-free rate	1.23%	2.37%	Negative correlation
			Expected volatility	79.82%	72.42%	Negative correlation

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

(i) Valuation inputs and relationships to fair value (Continued)

(a) Investments in unlisted companies

As disclosed in Note 25(a), the Group made investments in several unlisted companies ("Unlisted Companies") directly or indirectly, all of which are classified as financial assets at FVPL. The fair value of those investments in Unlisted Companies were estimated by applying market approach.

(b) Investments in fund measured at FVPL

As disclosed in Note 25(b), the Group made investments in a limited life fund named Wuhan Fund without significant influence in December 2024. The Group measured this investment at FVPL. As at December 31, 2024, the directors of the Company assessed the fair value of this investment to be close to its investment cost of RMB10,000,000.

(c) Derivative assets in relation to Xiangxinyun

As disclosed in Note 25(c), the Company reached an agreement to sell certain of its equity interests in Xiangxinyun with a fixed price, which formed a derivative asset. The Group determined the fair value of the derivative asset based on the fixed transaction price, the fair value of Xiangxinyun, the estimated agreement execution date and the relevant discount rate during the period up to execution.

(d) Short-term investments at FVPL

Short-term investments at FVPL represented structured deposits products with nil guaranteed principal and floating return of nil and bank wealth management products with non – guaranteed principal and floating return of RMB57,876,000. The fair value of the short-term investments at FVPL were calculated using the expected yield.

(e) Derivative financial instruments in relation to cross currency swaps

The Group entered into a cross-currency swaps to manage its exposure to foreign exchange rate risks. The fair value of derivative financial instruments is measured using discounted cash flow methodology based on spot and fixed exchange rates in contract as well as the yield curves of the respective currencies taking into account the credit risk of the counterparties and of the Group as appropriate.

(f) Contingent consideration – Heading

The Group acquired 51% equity interests of Heading in November 2020 at a total consideration of RMB510,000,000, among which RMB37,595,000 is contingent consideration and is payable upon the achievement of certain business performance targets. The contingent payment is recorded as non-current financial liabilities measured at FVPL as it is not expected to be settled in 2025. There was no significant change in the fair value of this contingent payable during the year ended December 31, 2024.

(g) Financial liability at FVPL in relation to Acewill

As disclosed in Note 41, the Company recognized a financial liability at FVPL of RMB21,269,000 in relation to the transaction with Acewill Information Technology (Beijing) Co., Ltd. ("Acewill"). The Group accounts for its equity interests in Acewill as financial asset at FVPL and determined the fair value of the financial liability at FVPL based on the fair value of the underlying investment in Acewill. Therefore, the significant unobservable input of the current financial liability is as same as that used in the valuation of underlying Acewill investment.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

(ii) *Sensitivity analysis*

For the fair value of the Group's level 3 instruments, reasonably possible changes at December 31, 2024 and 2023 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Increase/(Decrease) in fair value (in RMB'000) As at December 31,			
	2024		2023	
Investment in Unlisted Companies				
– DLOM (5% increase/decrease)	**(3,063)**	**3,054**	(4,774)	4,765
– WACC (5% increase/decrease)	**NA**	**NA**	(23,902)	26,723
– P/S Ratio (10% increase/decrease)	**17,212**	**(17,523)**	5,813	(5,981)
– Risk free rate (10% increase/decrease)	**(362)**	**363**	(670)	674
– Volatility (10% increase/decrease)	**(10,694)**	**10,981**	(5,052)	4,859
Short-term investments at FVPL				
Expected yield (5% increase/decrease)	**15**	**(15)**	30	(30)
Financial assets at FVOCI				
– Discounted cashflows (5% increase/ decrease)	**(86)**	**86**	(42)	42
Derivative asset in relation to currency swaps				
– Discount Rate (5% increase/decrease)	**(224)**	**226**	NA	NA
Financial liability at FVPL in relation to Acewill				
– Risk free rate (10% increase/decrease)	**(1)**	**1**	(7)	7
– Volatility (10% increase/decrease)	**167**	**(189)**	106	(139)
Contingent payable				
– Discounted cashflows (5% increase/ decrease)	**(69)**	**70**	(69)	70
Derivative assets in relation to Xiangxinyun				
– Discount Rate (5% increase/decrease)	**(47)**	**47**	NA	NA

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

(iii) Valuation processes

The Group engaged an external, independent and qualified appraiser to carry out the fair value valuation of investments for financial reporting purposes, including level 3 fair values. The appraiser reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the appraiser periodically.

Except for the level 3 instruments mentioned above, the Group's financial assets and liabilities include cash and cash equivalents, restricted cash, term deposits, trade and notes receivables, other receivables, bank borrowings (current portion), lease liabilities (current portion), trade and other payables, the carrying values of which approximated their fair values due to their short maturities. The carrying amount of the long-term deposits, lease liabilities (non-current portion), bank borrowings (non-current portion) and other non-current liabilities approximates its fair values since it bears an interest rate which approximates market interest rate.

4.4 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset as at December 31, 2024 and 2023.

	Effects of offsetting on the balance sheet		
As at December 31, 2024	**Gross amounts**	**Gross amounts set off in the balance sheet**	**Net amounts presented in the balance sheet**
Financial assets			
Trade receivables due from a related party	373	(373)	–
Other receivables due from a related party	185,507	(7,357)	178,150
Financial liabilities			
Other payable due to related parties	7,730	(7,730)	–

4 FINANCIAL RISK MANAGEMENT (Continued)

4.4 Offsetting financial assets and financial liabilities (Continued)

	Effects of offsetting on the balance sheet		
As at December 31, 2023	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
Financial assets			
Trade receivables due from a related party	9,994	(9,994)	–
Other receivables due from a related party	192,824	(4,335)	188,489
Financial liabilities			
Other payable due to related parties	14,329	(14,329)	–

For the year ended December 31, 2023 and 2024, Shanghai Weimob Enterprise Development Co., Ltd. ("Weimob Development", a subsidiary of the Company) and Xiaoke, entered into an agreement, pursuant to which both parties agreed to offset the payables against the receivables of RMB14,329,000 and RMB7,730,000, respectively. The relevant amounts have therefore been presented net in the balance sheet.

5 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances and the difference could be material.

(a) Estimation of goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount was determined based on value-in-use calculations which require the use of key assumptions including gross margin, annual growth rate, terminal growth rate and discount rate etc. The calculations use cash flow projections based on financial budgets approved by management. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations.

5 CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

(b) Estimation of the fair value of certain financial assets and liabilities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets and liabilities (Note 4.3).

(c) Estimation of the rebates earned from media publishers

As disclosed in Note 7, for the Group's merchant solutions revenue, certain rebates granted by the media publishers are variable and outside the entity's influence and are recognised as revenue (where the Group acts as agent) or deduction of cost of sales (where the Group acts as principal) at the time incentives are granted. In some circumstances, whereby the management cannot reasonably estimate the amount of rebates that the Group is expected to earn, the Group only recognizes the amount of rebates as agreed by the media publishers, which is highly probable that a significant reversal in the amount of cumulative revenue will not occur or probable that a reversal of cost of sales will occur.

Management updates its estimate at each reporting date when additional information becomes available.

(d) Impairment of receivables

The loss allowances for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 4.1.

(e) Capitalisation, amortisation and impairment assessment of development costs

Costs incurred on development projects are recognized as intangible assets when it is probable that the projects will be successful considering the criteria set out in Note 20. Significant judgment is involved in assessing whether the criteria have been met, including the likelihood of the project delivering sufficient future economic benefits, and whether costs, including employment costs, were directly attributable to relevant projects.

Capitalised development costs are amortised from the point at which the asset is ready for use on a straight-line basis over their estimated useful lives. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore amortisation expense in future periods.

Capitalized development costs are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. These calculations require the use of judgements and estimates. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of comprehensive loss.

5 CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

(f) Current and deferred income taxes

The Group is principally subject to income taxes in the PRC. Judgement is required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The outcome of their actual utilization may be different.

6 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.

6 SEGMENT INFORMATION (Continued)

	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	**330,654**	**265,670**	**596,324**

	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	892,601	590,924	1,483,525

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")	**16.6%**	20.3%

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.

7 REVENUE

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

7.1 Disaggregation of revenue from contracts with customers

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Subscription solutions	**918,546**	1,349,404
Merchant solutions *(a)*	**420,709**	878,280
Total revenue from continuing operations	**1,339,255**	2,227,684

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Timing of revenue recognition		
– At a point in time	**660,941**	1,376,240
– Over time	**678,314**	851,444
Total revenue from continuing operations	**1,339,255**	2,227,684

(a) Included in the merchant solutions revenue, the Group reduced variable rebates recognized from media publishers in the current year of RMB128,824,000, for which the related performance obligations were satisfied in 2023. 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.

Included in the merchant solutions revenue, the Group recognized variable rebates received from media publishers of RMB58,893,000 in 2023, for which the related performance obligations were satisfied in 2022.

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Contract acquisition cost (current)	**42,738**	96,900
Contract acquisition cost (non-current)	**21,251**	18,814
Total assets related to contracts with customers	**63,989**	115,714
Contract liabilities (current)	**204,557**	263,375
Contract liabilities (non-current)	**49,473**	54,308
Total contract liabilities	**254,030**	317,683

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the non-refundable advance payments in relation to subscription solutions services. Decrease in contract liabilities was in line with the decrease of revenue from subscription solutions services.

(ii) Revenue recognised in relation to contract liabilities

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Beginning balance	**317,683**	359,103
Addition	**579,315**	720,077
Disposal of subsidiaries *(Note 41)*	**–**	(4,295)
Recognized in revenue	**(642,968)**	(757,202)
Ending balance	**254,030**	317,683

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(ii) Revenue recognised in relation to contract liabilities (Continued)

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	**263,375**	291,312

(iii) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from subscription solutions.

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Subscription solutions related	**254,030**	317,683

The Company expects that out of total unsatisfied performance obligations as at December 31, 2024, approximately RMB204,557,000 (December 31, 2023: RMB263,375,000) will be recognized as revenue within 1 year. The remaining approximately RMB49,473,000 (December 31, 2023: RMB54,308,000) will be recognized as revenue within two to three years.

(iv) Assets recognised from incremental costs to obtain a contract

The Group has recognised assets in relation to incremental costs to acquire the subscription solutions contracts. This is presented within "Contract acquisition cost" in the consolidated statement of financial position.

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Amortisation recognized as selling expenses related to subscription solutions during the year *(Note 8(a), (b))*	**136,407**	390,163

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(v) Assets recognised from costs to fulfil a contract

The Group has also recognised an asset in relation to costs to fulfil its customized software development contracts. This is presented within "Prepayments, deposits and other assets" in the consolidated statement of financial position.

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Beginning balance	**23,143**	27,415
Addition	**82,643**	95,173
Recognised as cost of providing customized software development during the year	**(77,793)**	(99,445)
Ending balance	**27,993**	23,143

(vi) Accounting policies of revenue recognition

The Group provides subscription solutions and merchant solutions for small and medium businesses in the PRC.

1) *Subscription solutions*

The Group offers subscription solutions services to merchants including standard cloud-hosted SaaS products offering, customised software development, software related services, and etc.

1.1) Standard cloud-hosted software offering

The Group offers SaaS products which are cloud-hosted software. The Group sells SaaS products to customers, i.e. the SaaS products user, through its direct sales force or through its channel partners. The Group is responsible for delivering the cloud-hosted software, paying server fees to external cloud server vendors to ensure the cloud-hosted software is accessible and stable, and the Group has discretion in establishing the prices for SaaS products. The channel partners have the contractual obligation to follow the Group's pricing guidance and has no significant performance obligation towards the customer. Therefore, the Group is the principal and recognizes revenue at the gross amount billed to the customers by the channel partners. The differences between the gross amount billed to the customer by the channel partners and the amount billed to channel partners by the Group are recognised as contract acquisition cost. The Group also capitalizes sales commissions paid to its direct sales force and sales agents that had a direct and incremental relationship to a specific new revenue contract as contract acquisition cost and amortizes the capitalized amounts when the related revenue is recognized.

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(vi) Accounting policies of revenue recognition (Continued)

1) Subscription solutions (Continued)

1.1) Standard cloud-hosted software offering (Continued)

SaaS revenues primarily consist of fees that provide customers access to one or more of the cloud applications for e-commerce, marketing, customer management etc. with routine customer support. The Group does not have other right to consideration in exchange for goods or service that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Revenue is generally recognized over time on a ratable basis over the contract term beginning on the date that the service is made available to the customer. And the contract acquisition costs are charged into selling and distribution expenses on a ratable basis which is in line with the revenue recognition.

The Group periodically evaluates whether there have been any changes in its business, the market conditions in which it operates or other events which would indicate that its amortisation period of contract acquisition cost should be changed or if there are impairment indicators.

1.2) Customised software development

The Group develops and sells customised self-hosted software. Revenue is recognised when control over the customised software has been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from the Group as well as control the customized software until the software delivered to the customer. The customised software generally has no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until customised software transfer to customer. Therefore, revenue is recognised at a point in time when the customised software is passed to the customer.

The Group recognizes an asset in relation to costs to fulfil its customised software development contracts. The costs relate directly to the contract, generate resources that will be used in satisfying the contract and are expected to be recovered. The contract fulfilment costs are recorded as cost of sales when the customised software is passed to the customer and the revenue is recognised.

1.3) Software related services

The Group provides integrated operation services to its customers including daily software maintenance and operation supporting service, technical support service and integrated brand promotion activities. Revenue is recognised at a point in time when relevant service has been rendered or recognised over the service period.

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(vi) Accounting policies of revenue recognition (Continued)

2) Merchant solutions services

2.1) Online marketing support services offering

The Group provides online marketing support services to merchants (the advertisers). The advertisers can purchase advertising traffic from various media platforms through the Group. The Group charges the advertisers based on cost per mille (''CPM") or cost per click ("CPC"), which is the same pricing mechanism as how the media publishers will charge to the Group. The Group provides limited free advertising support services to the advertisers and earns rebates from media publishers. Media publishers grant to the Group rebates in the form of prepayments for the media publishers' services or cash mainly based on the gross spend of the advertisers.

The Group follows the accounting guidance for principal-agent considerations in HKFRS 15 when determining whether the Group acts as the principal or an agent. Although the Group has some discretion in determining the price charged to the advertisers in the form of discounts and rebates given to the advertisers, the Group determines it is the agent in the transaction because it is the media publishers, rather than the Group, primarily responsible for providing the media publishing service and the Group does not have any commitment to the advertiser about the effectiveness of advertisement.

As the Group is not the principal in executing advertising activities and is acting on behalf of the media publishers. The Group reports the amount received from the advertisers and the amounts paid to the media publishers related to these transactions on a net basis and recognises the rebate earned from media publishers as revenue.

Certain rebates granted by the media publishers are variable because the rebate amount is determined at the discretion of the media publishers (Note 5(c)). The Group recognises the rebates only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Actual amount may vary from the estimation and the difference will be recorded at the period when such rebates are received.

The Group also offers incentives including discounts or rebates to the advertisers as part of its promotion activities. Incentives offered to the advertisers are recognised as a deduction of revenue at the time incentives are granted.

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(vi) Accounting policies of revenue recognition (Continued)

2) Merchant solutions services (Continued)

2.2) In-depth operation and marketing services offering

The Group also provide integrated service packages to merchants. The service packages mainly includes two performance obligations, (i) SaaS products offering or customised software development and (ii) in-depth operation and marketing services. The Group allocates total consideration to each performance obligation based on their relative standalone selling prices.

The revenue recognition policies applied for revenue allocated to SaaS products offering or customised software development are consistent with accounting policies described in 1.1) above.

In-depth operation and marketing services includes various activities including content production, traffic acquisition from media platforms, data analysis and advertising campaign optimization and etc. The Group charges merchants service fees based on either a fixed percentage of the GMV that generated from the online shops that the Group operates, or a fixed operating fee plus traffic acquisition costs.

The Group is the primary obligor in providing the in-depth operation and marketing service as it is responsible for (i) identifying and contracting with merchants which the Group view as customers, and delivering the specified integrated services to the merchants; (ii) bearing certain risks of loss to the extent that the cost incurred for producing contents, formulating advertisement campaign and acquiring user traffic from media platforms cannot be compensated by the total consideration received from the merchants, which is similar to inventory risk; and (iii) having discretion in establishing the prices for the service. Therefore, it recognizes revenue earned and costs incurred related to such in-depth operation and marketing services on a gross basis.

The Group confirms with merchants on the amount to be charged on monthly basis. Even though some activities might vary each day, the Group provides the same service of "in-depth operation and marketing services" during the contracted period. The Group considered that it fulfils an integrated "in-depth operation and marketing services" rather than to fulfil separate promises. Therefore, the Group identifies the performance obligations are substantially the same and consecutive. The distinct service within the series is each time increment of performing the service. Therefore, the Group recognizes in-depth operation and market services revenue on a monthly basis with the amount confirmed by the merchants, which is calculated based on the fee mechanism predetermined.

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(vi) Accounting policies of revenue recognition (Continued)

2) Merchant solutions services (Continued)

2.3) Credit technology solutions

The Group provides a suite of data-driven credit analytics solutions that help financial institutions provide financing for qualified borrowers (usually merchants). The Group generates revenues by charging service fees pursuant to agreements between the Group and the financial institutions where the fees are usually expressed as a percentage of the amount of loans granted by the financing institutions to the qualified merchants. Revenue is recognised at a point in time when relevant service has been rendered.

3) Contract assets and liabilities

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has an unconditional right to an amount of consideration, before the Group transfers services to the customer, the Group has a contract liability when the payment is received, or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer.

8 EXPENSES BY NATURE

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Employee benefits expenses *(Note 9) (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 *(Note 20)*	**179,388**	20,985
Other consulting fees	**11,505**	16,484
Auditors' remuneration	**5,420**	5,420
Others	**24,212**	24,019
	2,373,781	3,009,896

(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 adverting platforms such as Baidu Online Network Technology (Beijing) Co., Ltd. (2023: RMB126,578,000).

9 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	**1,044,354**	1,152,528
Other social security costs, housing benefits and other employee benefits	**99,225**	147,946
Pension costs-defined contribution plans	**77,436**	111,382
Share-based compensation expenses for employees and non-controlling interests *(Note 35)*	**27,029**	82,804
	1,248,044	1,494,660

9 EMPLOYEE BENEFIT EXPENSES (Continued)

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2024 and 2023 included two directors whose emoluments are reflected in the analysis shown in Note 39. The emoluments payable to the remaining three individuals for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Salaries and wages	**2,691**	4,496
Bonuses	**–**	1,065
Pension costs-defined contribution plans	**170**	176
Other social security costs, housing benefits and other employee benefits	**237**	273
Share-based compensation	**4,757**	17,748
	7,855	23,758

The emoluments fell within the following bands:

	Year ended December 31	
	2024	2023
HK$1,000,001 to HK$1,500,000	**1**	–
HK$3,500,001 to HK$4,000,000	**2**	–
HK$4,000,001 to HK$4,500,000	**–**	1
HK$7,000,001 to HK$7,500,000	**–**	1
HK$14,500,001 to HK$15,000,000	**–**	1
	3	3

9 EMPLOYEE BENEFIT EXPENSES (Continued)

Accounting policies of employee benefits

(i) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(ii) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of reporting period are discounted to their present value.

(iv) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

10 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 *(c)*	**10,966**	15,098
	40,842	85,090

(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.

(c) Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. Interest income from restricted cash, term deposits and loan to third parties and related parties are presented as "Other income".

11 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 *(Note 41)*	**–**	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 *(Note 41)*	**2,794**	(16,790)
Losses on disposals of financial assets measured at FVOCI *(Note 28(a))*	**(890)**	(916)
Fair value change of non-current financial liabilities measured at FVPL *(Note 26(c))*	**1,044**	–
Impairment loss of goodwill *(Note 20)*	**(41,909)**	–
Others, net	**(13,765)**	2,762
	(346,114)	123,322

12 FINANCE COSTS

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Adjustment of amortised cost of 2021 Convertible Bonds due to early redemption *(Note 26(a))*	**138,401**	–
Interest expenses on liability component of convertible bonds *(Note 26(a), 26(c))*	**43,595**	86,766
Interest expenses on borrowings *(a)*	**68,397**	56,855
Interest expenses on put option liability *(Note 26(d))*	**5,842**	7,064
Interest expenses on lease liabilities *(Note 18)*	**2,386**	4,705
Issuance cost for 2024 Bonds offering *(Note 26(b))*	**17,531**	–
Modification loss of 2024 Bonds and issuance of 2024 Convertible Bonds *(Note 26(c))*	**6,026**	–
Less: Interest capitalization *(a)*	**(8,432)**	(4,167)
	273,746	151,223

(a) General and specific borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

13 FINANCE INCOME

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

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

14 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 10(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%.

14 TAXATION (Continued)

(b) Income tax (Continued)

(iv) PRC withholding Tax (Continued)

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
	RMB'000	RMB'000
Current tax	**1,766**	2,599
Deferred income tax *(Note 27)*	**(45,019)**	32,302
Income tax (credit)/expenses	**(43,253)**	34,901

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended December 31, 2024 and 2023, being the tax rate of the major subsidiaries of the Group.

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Loss before income tax	**(1,787,203)**	(726,357)
Tax calculated at PRC statutory income tax rate of 25%	**(446,801)**	(181,589)
Effects of preferential tax rates applicable to high and new technology enterprises	**96,498**	110,785
Accelerated research and development deductible expenses	**(95,640)**	(140,527)
Fair value changes in bonds and convertible bonds not deductible for taxation purpose	**(17,349)**	(1,437)
Expenses not deductible for taxation purpose	**4,405**	13,389
Temporary differences and tax losses for which no deferred income tax asset was recognized	**415,634**	234,280
Income tax (credit)/expenses	**(43,253)**	34,901

15 DIVIDENDS

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

16 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	**3,008,580,229**	2,743,589,067
Basic loss per share (expressed in RMB per share):	**(0.57)**	(0.28)

(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 (Note 26) issued by the Company and restricted shares units ("RSUs") granted to employees (Note 35) 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.

17 PROPERTY, PLANT AND EQUIPMENT

	Computer and electronic equipment RMB'000	Furniture and fixtures RMB'000	Vehicles RMB'000	Buildings RMB'000	Leasehold improvement RMB'000	Assets under construction RMB'000	Total RMB'000
Cost							
At January 1, 2024	32,345	7,468	4,570	35,500	57,431	219,983	357,297
Additions	350	7	–	–	685	194,657	195,699
Other disposals	(2,243)	(1,150)	–	–	(4,912)	–	(8,305)
At December 31, 2024	30,452	6,325	4,570	35,500	53,204	414,640	544,691
Accumulated depreciation							
At January 1, 2024	(27,698)	(3,598)	(1,838)	(4,541)	(45,820)	–	(83,495)
Depreciation	(4,237)	(991)	(710)	(1,434)	(7,277)	–	(14,649)
Other disposals	2,107	428	–	–	2,601	–	5,136
At December 31, 2024	(29,828)	(4,161)	(2,548)	(5,975)	(50,496)	–	(93,008)
Net carrying amount							
At January 1, 2024	4,647	3,870	2,732	30,959	11,611	219,983	273,802
At December 31, 2024	624	2,164	2,022	29,525	2,708	414,640	451,683
Cost							
At January 1, 2023	36,449	8,585	4,336	35,500	55,159	78,349	218,378
Additions	1,937	171	1,286	–	3,548	141,634	148,576
Disposal of subsidiaries *(Note 41)*	(1,265)	(155)	–	–	(1,276)	–	(2,696)
Other disposals	(4,776)	(1,133)	(1,052)	–	–	–	(6,961)
At December 31, 2023	32,345	7,468	4,570	35,500	57,431	219,983	357,297
Accumulated depreciation							
At January 1, 2023	(25,050)	(2,905)	(1,574)	(3,107)	(34,970)	–	(67,606)
Depreciation	(7,648)	(1,433)	(723)	(1,434)	(11,867)	–	(23,105)
Disposal of subsidiaries *(Note 41)*	870	33	–	–	1,017	–	1,920
Other disposals	4,130	707	459	–	–	–	5,296
At December 31, 2023	(27,698)	(3,598)	(1,838)	(4,541)	(45,820)	–	(83,495)
Net carrying amount							
At January 1, 2023	11,399	5,680	2,762	32,393	20,189	78,349	150,772
At December 31, 2023	4,647	3,870	2,732	30,959	11,611	219,983	273,802

17 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Cost of sales	**1,898**	578
Administrative expenses	**7,427**	8,117
Selling and marketing expenses	**5,324**	14,410
	14,649	23,105

Assets pledged as security

Property, plant and equipment with net carrying amount of RMB414,640,000 (2023: RMB219,983,000) have been pledged to secure long term borrowings (including current portion) of RMB188,860,000 of the Group (2023: RMB55,620,000) (Note 31). The Group is not allowed to pledge these assets as security for other borrowings.

Accounting policies of property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive loss during the year in which they are incurred.

17 PROPERTY, PLANT AND EQUIPMENT (Continued)

Accounting policies of property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Buildings	20-30 years
Computer and electronic equipment	3-5 years
Furniture and fixtures	3-5 years
Vehicles	4-5 years
Leasehold improvement	Shorter of estimated useful lives or remaining lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains, net" in the consolidated statement of comprehensive loss.

Impairment test on property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit, "CGU"). Impairment test on property, plant and equipment are conducted on individual CGU level whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

No impairment of property, plant and equipment is considered necessary based on the impairment tests performed as at December 31, 2024 and 2023.

18 LEASES

(i) Right-of-use assets

	Land-use rights *(a)* RMB'000	Buildings RMB'000	Total RMB'000
Cost			
At January 1, 2024	344,214	196,391	540,605
Additions	–	17,687	17,687
Other disposals *(c)*	–	(44,645)	(44,645)
At December 31, 2024	344,214	169,433	513,647
Accumulated depreciation			
At January 1, 2024	(12,827)	(128,977)	(141,804)
Depreciation	(8,668)	(40,630)	(49,298)
Other disposals *(c)*	–	39,073	39,073
At December 31, 2024	(21,495)	(130,534)	(152,029)
Net carrying amount			
At January 1, 2024	331,387	67,414	398,801
At December 31, 2024	322,719	38,899	361,618

18 LEASES (Continued)

(i) Right-of-use assets (Continued)

	Land-use rights *(a)* RMB'000	Buildings RMB'000	Total RMB'000
Cost			
At January 1, 2023	344,214	286,629	630,843
Additions	–	25,487	25,487
Disposal of subsidiaries *(Note 41)*	–	(8,293)	(8,293)
Other decrease *(b)*	–	(20,760)	(20,760)
Other disposals *(c)*	–	(86,672)	(86,672)
At December 31, 2023	344,214	196,391	540,605
Accumulated depreciation			
At January 1, 2023	(4,159)	(151,328)	(155,487)
Depreciation	(8,668)	(42,556)	(51,224)
Disposal of subsidiaries *(Note 41)*	–	6,774	6,774
Other decrease *(b)*	–	9,840	9,840
Other disposals *(c)*	–	48,293	48,293
At December 31, 2023	(12,827)	(128,977)	(141,804)
Net carrying amount			
At January 1, 2023	340,055	135,301	475,356
At December 31, 2023	331,387	67,414	398,801

(a) Land-use rights pledged as security

Land-use rights with carrying amount of RMB314,022,000 (2023: RMB322,377,000) have been pledged to secure long term borrowings (including current portion) of RMB188,860,000 of the Group (2023: RMB55,620,000) (Note 31). The Group is not allowed to pledge these assets as security for other borrowings.

(b) Other decrease of right-of-use assets for the year ended December 31, 2023 was mainly due to the modification of rental agreement. The Group recognised approximately RMB6,981,000 gains in "Other (losses)/gains, net".

(c) Disposals of right-of-use assets for the years ended December 31, 2024 and 2023 were due to the early termination of rental agreements. The Group recognised approximately RMB4,753,000 gains in "Other (losses)/gains, net"(2023: RMB3,187,000).

18 LEASES (Continued)

(ii) Lease liabilities

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Lease liability		
Current	**22,394**	31,950
Non-current	**15,556**	27,884
	37,950	59,834

(iii) Amounts recognised in the consolidated statement of comprehensive loss

The consolidated statement of comprehensive loss shows the following amounts relating to leases:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Buildings	**40,630**	42,556
Land-use rights	**8,668**	8,668
	49,298	51,224
Interest expenses (included in finance cost) *(Note 12)*	**2,386**	4,705
Expense relating to short-term leases (included in administrative expenses)	**5,457**	7,200

The total cash outflow for long-term leases including principal elements and interest expenses as well as short-term leases for the year ended December 31, 2024 was approximately RMB46,071,000 (2023: RMB67,849,000).

(iv) Accounting for a lessor with operating leases

The Group owned certain residential real estates leased to tenants under operating leases, which meets the definition of investment properties. The information of investment properties is disclosed in Note 19.

18 LEASES (Continued)

(v) Accounting for a lessee with operating leases

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

The Group's land use right was amortised ratably over the term of the useful life of 40 years at a straight-line basis. For office buildings, rental contracts are typically made for fixed periods of 1 to 3 years.

19 INVESTMENT PROPERTIES

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Opening balance at January 1	**34,530**	35,720
Fair value change	**(2,430)**	(1,190)
Ending balance at December 31	**32,100**	34,530

Investment properties, principally residential real estate, are held for long-term rental yields and are not occupied by the Group. Investment property acquired in a business combination is initially measured at fair value at the acquisition date. Subsequently, they are carried at fair value. Changes in fair value are recognised within "Other (losses)/gains, net" in the consolidated statement of comprehensive loss.

19 INVESTMENT PROPERTIES (Continued)

(i) Amounts recognised in the consolidated statement of comprehensive loss for investment properties

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Rental income from operating leases	**352**	329
Direct operating expenses from property that generated rental income	**12**	12

(ii) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. There are no other variable lease payments that depend on an index or rate.

(iii) Valuation processes of the Group

The Group's policy is to recognise change of fair value hierarchy levels as of the date of the event or change in circumstances that caused the change. As at December 31, 2024 and 2023, the Group had only level 3 investment properties.

For all investment properties, their current use equates the highest and best use.

(iv) Valuation techniques

Valuation is based on direct comparison approach assuming sale of each of these properties in its existing status with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size. There were no changes to the valuation techniques during the year.

Information about fair value measurements using significant unobservable inputs (level 3)

Description	Fair value as at **December 31, 2024 RMB'000**	Fair value as at December 31, 2023 RMB'000	Valuation techniques	Unobservable inputs	Range of Unobservable inputs **December 31, 2024**	Range of Unobservable inputs December 31, 2023	Relationship of unobservable inputs to fair value
Investment properties	**32,100**	34,530	Direct comparison	Adjusted market price (RMB/square meter)	**RMB 47,689-RMB50,491**	RMB 50,539-RMB55,012	The higher market price, the higher fair value.

20 INTANGIBLE ASSETS

	Goodwill *(i)* RMB'000	Self-developed software RMB'000	Customer relationships RMB'000	Others RMB'000	Total RMB'000
Cost					
At January 1, 2024	932,157	1,153,036	226,295	9,244	2,320,732
Capitalisation of development costs *(ii)*	–	20,481	–	–	20,481
At December 31, 2024	932,157	1,173,517	226,295	9,244	2,341,213
Accumulated amortisation					
At January 1, 2024	–	(714,437)	(72,429)	(2,659)	(789,525)
Amortisation	–	(203,663)	(23,218)	(2,497)	(229,378)
At December 31, 2024	–	(918,100)	(95,647)	(5,156)	(1,018,903)
Impairment					
At January 1, 2024	(194,843)	(61,710)	–	–	(256,553)
Impairment	(41,909)	(179,388)	–	–	(221,297)
At December 31, 2024	(236,752)	(241,098)	–	–	(477,850)
Net carrying amount					
At January 1, 2024	737,314	376,889	153,866	6,585	1,274,654
At December 31, 2024	695,405	14,319	130,648	4,088	844,460

20 INTANGIBLE ASSETS (Continued)

	Goodwill *(i)* RMB'000	Self-developed software RMB'000	Customer relationships RMB'000	Others RMB'000	Total RMB'000
Cost					
At January 1, 2023	937,908	1,078,706	226,295	8,334	2,251,243
Additions	–	–	–	910	910
Capitalisation of development costs *(ii)*	–	185,127	–	–	185,127
Disposal of subsidiaries *(Note 41)*	(5,751)	(110,797)	–	–	(116,548)
At December 31, 2023	932,157	1,153,036	226,295	9,244	2,320,732
Accumulated amortisation					
At January 1, 2023	–	(554,757)	(49,211)	(1,241)	(605,209)
Amortisation	–	(231,137)	(23,218)	(1,418)	(255,773)
Disposal of subsidiaries *(Note 41)*	–	71,457	–	–	71,457
At December 31, 2023	–	(714,437)	(72,429)	(2,659)	(789,525)
Impairment					
At January 1, 2023	(194,843)	(40,725)	–	–	(235,568)
Impairment	–	(20,985)	–	–	(20,985)
At December 31, 2023	(194,843)	(61,710)	–	–	(256,553)
Net carrying amount					
At January 1, 2023	743,065	483,224	177,084	7,093	1,410,466
At December 31, 2023	737,314	376,889	153,866	6,585	1,274,654

Amortisation of the Group's intangible assets has been recognised as follows:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Cost of sales	**189,059**	215,028
General and administrative expenses	**17,101**	17,527
Selling expenses	**23,218**	23,218
	229,378	255,773

20 INTANGIBLE ASSETS (Continued)

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) *Goodwill*

Goodwill is monitored by management at the level of the three operating segments identified in Note 5.

A segment-level summary of the goodwill allocation is presented below.

	Subscription solutions RMB'000	Merchant solutions RMB'000	Xiangxinyun RMB'000	Total RMB'000
Balance as at January 1, 2024	**602,829**	**92,576**	**41,909**	**737,314**
Impairment	**–**	**–**	**(41,909)**	**(41,909)**
Balance as at December 31, 2024	**602,829**	**92,576**	**–**	**695,405**

	Subscription solutions RMB'000	Merchant solutions RMB'000	Xiangxinyun RMB'000	Total RMB'000
Balance as at January 1, 2023	608,580	92,576	41,909	743,065
Disposal of subsidiaries *(Note 41)*	(5,751)	–	–	(5,751)
Balance as at December 31, 2023	602,829	92,576	41,909	737,314

20 INTANGIBLE ASSETS (Continued)

Impairment of non-financial assets (Continued)

(i) Goodwill (Continued)

As at December 31, 2024 and 2023, the Group has engaged an independent external appraiser to assist management to perform the goodwill impairment assessments.

The recoverable amount of goodwill was determined based on value-in-use calculations. The value-in-use calculations use cash flow projections based on business plan for the purpose of impairment reviews covering a five-year period. The accuracy and reliability of the information is reasonably assured by the budgeting, forecast and control process established by the Group. The management leveraged their experiences in the industries and provided forecast based on past performance and their expectation of future business plans and market developments.

The following table sets out the key assumptions for the operating segments that have goodwill allocated to them:

As at December 31, 2024	**Subscription solutions**	**Merchant solutions**	**Xiangxinyun**
Gross margin (%)	**60.2%-80.0%**	**74.0%**	**28.0%-38.4%**
Annual growth rate (%)	**(13.5%)-36.2%**	**5.0%-28.8%**	**(41.7%)-(100%)**
Terminal growth rate (%)	**2%**	**2%**	**NA**
Pre-tax discount rate (%)	**17%**	**19%**	**21%**

As at December 31, 2023	Subscription solutions	Merchant solutions	Xiangxinyun
Gross margin (%)	65.0%-74.8%	69.6%-70.3%	52.6%-62.5%
Annual growth rate (%)	(10.9%)-38.9%	(2.3%)-45.0%	10.0%-45.0%
Terminal growth rate (%)	2.2%	2.2%	2.2%
Pre-tax discount rate (%)	17%	19%	21%

20 INTANGIBLE ASSETS (Continued)

Impairment of non-financial assets (Continued)

(i) Goodwill (Continued)

The recoverable amount of the goodwill is shown as below:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Recoverable amount for subscription solutions	**1,375,154**	1,392,988
Recoverable amount for merchants solutions	**158,235**	286,462
Recoverable amount for Xiangxinyun	**–**	42,560
	1,533,389	1,722,010

The headroom of the goodwill is shown as below:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Headroom for subscription solutions	**772,325**	790,159
Headroom for merchants solutions	**65,659**	193,886
Headroom for Xiangxinyun	**–**	651
	837,984	984,696

Based on the impairment test, as the headroom for goodwill allocated to subscription solutions operating segment and merchant solutions operating segment is far larger than the carrying amount of goodwill, the reasonable possible changes in key assumptions would not lead to any impairment of allocated goodwill to as at December 31, 2024 and 2023.

For the goodwill allocated to Xiangxinyun, the Group recorded a full impairment as of December 31, 2024, due to its actual performance falling significantly short of forecasts and the Group decided to cease further investment in this subsidiary and gradually scale down its operations.

20 INTANGIBLE ASSETS (Continued)

Impairment of non-financial assets (Continued)

(ii) Self-developed software and capitalisation of development cost

The Group periodically develops new SaaS products and enhances existing ones by adding new features to align with market trends and meet evolving customer needs.

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The management determines the estimated useful lives and related amortisation charges for the Group's development costs with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Amortisation is calculated using the straight-line method to allocate the costs of self-developed software over the estimated useful lives of 3 to 5 years. Management will revise the amortisation charges where useful lives are different to that of previously estimated, or it will write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

20 INTANGIBLE ASSETS (Continued)

Impairment of non-financial assets (Continued)

(ii) Self-developed software and capitalisation of development cost (Continued)

Costs incurred but relevant intangible assets are not ready for use are recognised as a separate line item of "Development cost" in the consolidated statement of financial position. The development cost movements during the year are as follows.

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
As at January 1	**–**	4,754
Development costs capitalized during the year	**20,481**	180,373
Transfer to intangible assets	**(20,481)**	(185,127)
As at December 31	**–**	–

Research and development expenditure that do not meet the criteria in above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The research and development expenses included in "general and administrative expenses" in the consolidated statement of comprehensive loss are as follows.

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Development costs capitalized during the year	**20,481**	180,373
Research and development expenses	**385,840**	406,281

Based on the impairment test, the Group recognized impairments of RMB179,388,000 and RMB20,985,000 on its self-developed software as of December 31, 2024, and 2023, respectively. This was due to the actual performance of the related SaaS products falling significantly below forecasts, prompting the Group to revise its future projections downward.

(iii) Customer relationships

Customer relationships acquired in business combination are recognized initially at fair value at the acquisition date and subsequently carried at the amount initially recognized less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the costs of acquired intangible assets over the estimated useful lives of 5 to 10 years.

(iv) Others

Other intangible assets include trademark and acquired software licenses. The trademark is carried at cost without amortisation but is tested for impairment. The acquired software licenses are amortised by using the straight-line method over the estimated useful lives of 2 to 10 years.

21 MAJOR SUBSIDIARIES

As at December 31, 2024 and 2023, the Company had direct and indirect interests in the following major subsidiaries (including controlled structured entities):

Company Name	Type of legal entity	Place of incorporation/ establishment operation	Date of incorporation/ establishment	Registered Capital	Percentage of attributable equity interest As at December 31, 2024	Percentage of attributable equity interest As at December 31, 2023	Principal activities
Direct interest:							
Weimob Holding Limited	Limited liability company	British Virgin Islands ("BVI")	February 7, 2018	USD50,000	100%	100%	Investment holding
Indirect interest:							
Weimob Technology HK Limited ("Weimob HK")	Limited liability company	Hong Kong	March 6, 2018	HKD10,000	100%	100%	Investment holding
Weimob Investment Limited	Limited liability company	BVI	March 6, 2020	USD50,000	100%	100%	Investment holding
Weimob Global Limited	Limited liability company	Hong Kong	December 17, 2020	HKD10,000	100%	100%	Subscription and merchant solutions
Weimob Development (上海微盟企業發展有限公司)	Limited liability company	The PRC	September 10, 2014	RMB4,000 million	100%	100%	Subscription solutions
Beijing Weimob Information Technology Co., Ltd. (北京為盟信息科技有限公司) ("Beijing Weimob")	Limited liability company	The PRC	September 9, 2015	RMB1 million	100%	100%	Subscription and merchant solutions
Shanghai Mengju Information Technology Co., Ltd. (上海盟聚信息科技有限公司) ("Shanghai Mengju")	Limited liability company	The PRC	December 29, 2015	RMB2,200 million	100%	100%	Merchant solutions
Shanghai Mengyao Information Technology Co, Ltd. (上海盟耀信息科技有限公司) ("Shanghai Mengyao")	Limited liability company	The PRC	February 1, 2016	RMB1,600 million	100%	100%	Merchant solutions
Shanghai Mengzhun Information Technology Co., Ltd. (上海盟准信息科技有限公司)	Limited liability company	The PRC	March 21, 2019	RMB50 million	100%	100%	Merchant solutions

21 MAJOR SUBSIDIARIES (Continued)

Company Name	Type of legal entity	Place of incorporation/ establishment operation	Date of incorporation/ establishment	Registered Capital	Percentage of attributable equity interest As at December 31, 2024	As at December 31, 2023	Principal activities
Shanghai Weimob Yunbing Information Technology Co., Ltd. (上海微盟雲冰信息科技有限公司) ("Weimob Yunbing")	Limited liability company	The PRC	May 10, 2019	RMB100 million	100%	100%	Investment
Shanghai Mengxiao Information Technology Co., Ltd. (上海盟效信息科技有限公司)	Limited liability company	The PRC	May 11, 2018	RMB50 million	80%	70%	Merchant solutions
Beijing Weimob Enterprise Development Co., Ltd (北京微盟企業發展有限公司)	Limited liability company	The PRC	December 2, 2020	RMB100 million	100%	100%	Subscription and merchant solutions
Heading (上海海鼎信息工程股份有限公司)	Company limited by shares	The PRC	January 8, 1997	RMB37.3 million	51%	51%	Subscription solutions
Shanghai Heading Information Technology Co., Ltd. (上海海鼎信息科技有限公司)	Limited liability company	The PRC	March 14, 2019	RMB31 million	37.8%	37.8%	Subscription solutions
Shanghai Weimeng Yunshuang Economic Development Co., Ltd. (上海微盟雲雙經濟發展有限公司) ("Weimob Yunshuang")	Limited liability company	The PRC	June 3, 2021	RMB350 million	100%	100%	Subscription and merchant solutions
Hangzhou Weimob Information Technology Co., Ltd. (杭州為盟信息科技有限公司)	Limited liability company	The PRC	August 21, 2015	RMB1 million	100%	100%	Subscription solutions
Shanghai Team Pro Information Technology Co., Ltd. (上海緹盟普洛信息科技有限公司)	Limited liability company	The PRC	February 4, 2021	RMB100 million	100%	100%	Subscription solutions
Consolidated structured entities:							
Weimob Teamwork (PTC) Limited *(Note 34)*	Not applicable, not PRC subsidiary	BVI	May 30, 2018	USD50,000	100%	100%	RSU scheme trust

22 ASSOCIATES

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The exemption from using the equity method is available if the investments are measured at fair value through profit or loss in accordance with HKFRS 9. The Group makes this election separately for each associate at initial recognition.

The following is a list of principal investments in associates of the Company as at December 31, 2024 and 2023. The entities listed below have share capital consisting of both ordinary shares and ordinary shares with preference rights, which are held directly or indirectly by the Group. The Group has significant influence over these investments based on its representation on the respective board of directors. For investments held by the Group in common shares or investments made in venture funds as a limited partner, the Group accounted for these investments in equity method. For investments made by the Group in form of redeemable preferred shares, the Group measured these investments at fair value through profit and losses (Note 25) because they are not qualified for equity accounting.

				Percentage of ownership interest attribution to the Group			
Name	**Date of incorporation**	**Particulars of issued shares held (thousand)**	**Place of incorporation and principal places of business**	**As at December 31, 2024**	As at December 31, 2023	**Principal activities**	**Accounting method**
Beijing Weizhi Shuke Investment Center (Limited Partnership) ("Weizhi Shuke")	January 7, 2021	RMB150,000	China	**30.00%**	30.00%	Investment	Equity method
Nanjing Chuangyi Meridian Weimob Emerging Industry Equity Investment Fund Partnership (Limited Partnership) ("Nanjing Chuangyi")	October 1, 2019	RMB51,000	China	**32.70%**	32.70%	Investment	Equity method
Shanghai Weixin Investment Center (Limited Partnership) ("Shanghai Weixin")	July 7, 2022	RMB35,000	China	**37.51%**	41.18%	Investment	Equity method
Xuzhou Beishang Menghe Management Consulting Partnership (Limited Partnership) (Xuzhou Beishang)	May 31, 2023	RMB45,000	China	**49.45%**	49.45%	Investment	Equity method
Acewill *(Note 25)*	November 6, 2006	RMB30,000	China	**25.94%**	25.68%	Subscription solutions	FVPL
Xiaoke *(Note 25)*	November 27, 2019	RMB361,518	China	**37.80%**	34.74%	Subscription solutions	FVPL
Zhejiang Damo Network Technology Co., Ltd. ("Demo") *(Note 25)*	February 11, 2015	RMB49,800	China	**32.38%**	32.38%	Subscription solutions	FVPL
Syoo	November 20, 2017	RMB46,000	China	**36.33%**	36.33%	Subscription solutions	FVPL
Yijing Zhilian (Beijing) Technology Co., Ltd. ("Yijing") *(Note 25)*	November 18, 2019	RMB11,000	China	**8.85%**	8.85%	Subscription and merchant solutions	FVPL
Beijing Nengtong Tianxia Network Technology Co., Ltd. ("Nengtong") *(Note 25)*	September 19, 2007	RMB30,000	China	**13.43%**	13.43%	Subscription solutions	FVPL

22 ASSOCIATES (Continued)

Investments in associates accounted for using the equity method

	Year ended December 31, 2024 RMB'000	2023 RMB'000
Weizhi Shuke *(a)*	**126,505**	151,266
Nanjing Chuangyi *(a)*	**41,707**	53,101
Shanghai Weixin *(a)*	**33,297**	33,361
Xuzhou Beishang *(b)*	**45,000**	45,000
Other immaterial associates	**16,563**	14,853
	263,072	297,581

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The Group's investments accounted for using the equity method consist exclusively of interests in investment funds or vehicles, wherein the underlying portfolio companies are measured at fair value.

(a) Investments in limited-life venture funds

From 2019 to 2022, the Group made strategic investments in technology companies operating in sectors such as cloud computing, big data, information technology, SaaS, and their respective upstream and downstream industries. These investments were made through several limited-life funds, in which the Group acted as a limited partner. Given the Group's significant influence over these funds through investment committee seats, it accounted for its investments using the equity method. Since these funds meet the definition of investment entities under applicable accounting standards, their investments in portfolio companies are measured at fair value through profit or loss (FVPL) in accordance with HKFRS 9.

On January 8, 2024, another 2 limited partners of Shanghai Weixin made capital injection of RMB8,300,000 to Shanghai Weixin and the shareholding of Shanghai Weixin attributable to the Group was diluted from 41.18% to 37.51%.

The total share of net losses of the three funds attributable to the Group for the years ended December 31, 2024 and 2023 was RMB24,909,000 and RMB10,479,000, respectively.

In August 2024, Weizhi Shuke declared and paid a dividend of RMB9,600,000 to the Company for disposal of certain investee of Weizhi Shuke.

22 ASSOCIATES (Continued)

Investments in associates accounted for using the equity method (Continued)

(b) Investment in Xuzhou Beishang

In May 2023, the Group made invest in a semiconductor manufacturing company through certain partnerships. As a limited partner with significant influence, the Group accounted for its investment in the partnership using the equity method, and the partnership accounted for the underlying investment at fair value.

As at December 31, 2024, the directors of the Company assessed there was no change in the fair value of the underlying investment according to the audit reports of partnerships mentioned above, therefore no gains/losses were picked up during the year ended December 31, 2024 and 2023.

The movement of the above investment in associates accounted for using the equity method is set out below.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**297,581**	245,560
Additions	**–**	62,500
Dividend declared	**(9,600)**	–
The Group's share of losses	**(24,909)**	(10,479)
At the end of the year	**263,072**	297,581

23 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
Financial assets			
Financial assets at FVPL (current)	*25*	**77,383**	308,057
Financial assets at FVPL (non-current)	*25*	**511,120**	707,404
Financial assets at FVOCI (current)	*24*	**450,490**	247,554
Financial assets at amortised cost:			
– Trade and notes receivables	*29*	**166,307**	353,305
– Other receivables (current and non-current portions)	*28*	**1,522,037**	1,233,052
– Term deposits	*30*	**–**	22,378
– Restricted cash	*30*	**526,930**	513,406
– Cash and cash equivalents	*30*	**1,194,203**	1,666,760
		4,448,470	5,051,916
Financial liabilities			
Financial liabilities at FVPL (current)	*25*	**21,269**	24,063
Financial liabilities at FVPL (non-current)	*25*	**37,595**	37,595
Financial liabilities at amortised cost:			
– Trade and other payables (excluding advances from advertisers and subscription solution customers, payroll and welfare payables and other taxes payable)	*32*	**859,991**	324,328
– Other non-current liabilities	*32*	**2,906**	2,906
– Bank borrowings (current and non-current)	*31*	**2,222,746**	1,738,243
– Convertible bonds at amortised cost (current and non-current)	*26*	**238,247**	1,305,992
– Lease liabilities (current and non-current portions)	*18*	**37,950**	59,834
– Put option liability	*26*	**131,856**	126,014
		3,552,560	3,618,975

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade and other receivables at FVOCI	**453,059**	251,318
Less: Provision for impairment of trade and other receivables at FVOCI	**(2,569)**	(3,764)
	450,490	247,554

Receivables due from certain advertisers with high reputation or long-term business relationship with Group are held for collection of contractual cash flows and for selling the financial assets by factoring and are measured at FVOCI. Movements on the receivables measured at FVOCI were disclosed in Note 4.3.

As of December 31, 2024 and 2023, the directors of the Company assessed the carrying amount of trade and other receivables at FVOCI approximated their fair values due to short maturities.

25 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets and liabilities at fair value through profit or loss:

- debt instruments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognise fair value gains or losses through other comprehensive income.

25 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Financial assets and liabilities measured at FVPL include the following:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Current assets		
Bank wealth management products	**57,876**	65,849
Derivative assets in relation to cross currency swaps *(Note 4.3(i)(e))*	**9,956**	–
Hong Kong listed equity securities	**9,551**	15,552
Structured deposits	**–**	226,656
Total current financial assets	**77,383**	308,057
Non-current assets		
Long-term investments measured at FVPL		
– Xiaoke *(a)(i)*	**109,188**	315,401
– Acewill *(a)(ii) (Note 41)*	**254,892**	271,118
– Demo *(a)(iii)*	**67,306**	79,843
– Nengtong *(a)(iv)*	**27,472**	30,373
– Yijing *(a)(v)*	**–**	7,169
– Wuhan Fund *(b)*	**10,000**	–
Derivative assets in relation to Xiangxinyun *(c)*	**38,762**	–
Others	**3,500**	3,500
Total non-current financial assets	**511,120**	707,404
Total financial assets	**588,503**	1,015,461
Current liabilities		
Financial liability in relation to Acewill measured at FVPL *(Note 41)*	**21,269**	24,063
Total Current liabilities	**21,269**	24,063
Non-current liabilities		
Contingent payable for the acquisition of Heading *(Note 4.3(i)(f))*	**37,595**	37,595
Total non-current liabilities	**37,595**	37,595
Total financial liabilities	**58,864**	61,658

25 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) Long-term investments in Unlisted Companies and related liabilities measured at FVPL

The Group has made equity investments in several unlisted companies with certain preferential rights, including but not limited to redemption rights and liquidation preferences. In accordance with HKFRS 9, the Group accounts for these investments at FVPL.

(i) Investment in a SaaS company – "Xiaoke"

As at December 31, 2023, the Group owned 34.74% equity interests in Xiaoke, including 31.74% redeemable preferred shares and 3.00% common shares. The Group accounts for all its equity interests in Xiaoke as financial asset at FVPL.

On March 20, 2024, Weimob Development and a third party company entered into an agreement with one of the existing shareholders of Xiaoke to purchase 3.0585% and 0.2582% of the total equity interests in Xiaoke with a consideration of RMB59,220,000 and RMB5,000,000, respectively, which was settled by the existing receivable balances due from Xiaoke through a debt-equity swap. Upon the completion of the transaction, Weimob Development owns 37.80% of the total equity interests in Xiaoke.

As at December 31, 2024, the directors of the Company assessed the fair value of this investment to be approximately RMB109,188,000 (December 31, 2023: RMB315,401,000) with RMB265,433,000 loss recognized in "Other (losses)/gains, net" for the year ended December 31, 2024 (2023: RMB33,018,000).

(ii) Investment in a SaaS Company "Acewill"

As of December 31, 2023, the Group owned 25.68% redeemable preferred shares in Acewill.

In November 2024, Weimob Yunbing and a third-party investor entered into an agreement with Acewill, to subscribe 0.55% and 0.55% newly issued redeemable preferred shares of Acewill with a total cash consideration of RMB10,000,000 and RMB10,000,000, respectively.

As at December 31, 2024, the Group owned 25.94% redeemable preferred shares in Acewill, and the directors of the Company assessed the fair value of investment in Acewill to be approximately RMB254,892,000. Accordingly, RMB26,226,000 loss from investment in Acewill was recognized in "Other (losses)/gains, net"(2023: 169,118,000 gain).

(iii) Investment in a SaaS Company – "Demo"

As at December 31, 2024 and 2023, the Group owned 32.38% redeemable preferred shares in Demo. The directors of the Company assessed the fair value of investment in Demo to be approximately RMB67,306,000 (December 31, 2023: RMB79,843,000) with RMB12,537,000 loss recognised in "Other (losses)/gains, net" for the year ended December 31, 2024 (2023: RMB7,929,000 loss).

25 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) Long-term investments in Unlisted Companies and related liabilities measured at FVPL (Continued)

(iv) Investment in a SaaS Company "Nengtong"

As at December 31, 2024 and 2023, the Group owned 13.43% redeemable preferred shares in Nengtong.

As at December 31, 2024, the directors of the Company assessed the fair value of investment in Nengtong to be approximately RMB27,472,000 (December 31, 2023: RMB30,373,000) with RMB2,901,000 loss recognised in "Other (losses)/gains, net" for the year ended December 31, 2024 (2023: RMB373,000 gain).

(v) Investment in a short-video-making Company "Yijing"

As at December 31, 2024 and 2023, the Group owned 8.85% redeemable preferred shares in Yijing.

As at December 31, 2024, the directors of the Company assessed the fair value of investment in Yijing was nil with RMB7,169,000 loss recognised in "Other (losses)/gains, net" for the year ended December 31, 2024 (2023: RMB15,758,000).

(b) Investment in Wuhan Fund

In December 2024, the Group, in collaboration with twelve other partnerships, established a seven-year limited life fund named Wuhan Fund. The Group contributed RMB10,000,000 and holds 1% of the equity interest of Wuhan Fund as one of the limited partners, and holds no seats on the investment committee. The partnership agreement outlines a predetermined profit distribution mechanism contingent upon the performance of the Wuhan Fund. The Group accounts for its investment in the Wuhan Fund as financial asset at FVPL.

As at December 31, 2024, the directors of the Company assessed the fair value of this investment to be close to its investment cost of RMB10,000,000.

(c) Derivative financial instruments in relation to Xiangxinyun

In May 2023, the Group and certain shareholders of Xiangxinyun entered into an agreement, pursuant to which certain shareholders and Xiangxinyun agree to repurchase 14.54% equity interests in Xiangxinyun from the Group at a fixed consideration of RMB41,765,000, which subject to another non-controlling shareholder's consent. As at December 31, 2023, the Group assessed that the possibility of execution of this agreement is remote therefore the fair value of the derivative assets was close to zero.

As mentioned in Note 20(i), the Group decided to cease further investment in Xiangxinyun and gradually scale down its operation, the possibility of execution of the aforementioned agreement become more than likely. The Group assessed the fair value of the derivative assets as at December 31, 2024 was RMB38,762,000 and RMB38,762,000 gain was recognized in "Other gains/(losses), net".

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Current		
2021 Convertible Bonds *(a)*	**–**	1,305,992
2024 Convertible Bonds *(c)*	**323**	–
Non-current		
2024 Convertible Bonds *(c)*	**237,924**	–
Put option liability *(d)*	**131,856**	126,014
	369,780	126,014
Total	**370,103**	1,432,006

(a) 2021 Convertible Bonds

On June 7, 2021, the Group issued USD300,000,000 (approximately RMB1,929,930,000) of guaranteed convertible bonds (the "2021 Convertible Bonds"), which are due for repayment on June 7, 2026. The 2021 Convertible Bonds were issued at zero coupon and do not accrue interest. The bonds holders have the right to require the Group to repurchase, in cash, all or any portion of their 2021 Convertible Bonds on June 7, 2024, at a repurchase price equivalent to 103.04% of the principal amount.

The Group accounted for the 2021 Convertible Bonds as compound financial instruments which contain both a liability component subsequently carried at amortised cost calculated using the effective interest method and an equity component recognised in reserve until the convertible bonds are either converted or redeemed. The embedded redemption option by the holders/issuers are considered closely related to the host debt instrument and are not separately accounted for.

Repurchase of the 2021 Convertible Bonds

As of December 31, 2023, the Group had repurchased and canceled a portion of the 2021 Convertible Bonds listed on the Stock Exchange, with a principal amount of USD98,783,000, through open market transactions.

On April 18, 2024, the Group announced a proposal to repurchase the remaining 2021 Convertible Bonds at a repurchase price equal to 103.04% of their principal amount. Concurrently, the Group issued USD85,000,000 (approximately RMB604,061,000) equity-linked cash-settle bonds (the "2024 Bonds", refer details to note (b) below) at zero coupon, which are to be listed on the SGX-ST, and placed 277,000,000 new shares at a price of HK$1.13 per share to facilitate the repurchase of the 2021 Convertible Bonds.

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(a) 2021 Convertible Bonds (Continued)

Repurchase of the 2021 Convertible Bonds (Continued)

The Group revised its estimates of the 2021 Convertible Bonds contractual cash flows by discounting the revised future contractual cash flows using original effective interest rate to reflect the estimation on exercise of the early redemption and adjusted the gross carrying amount of the amortised cost of the liability component of the 2021 Convertible Bonds. The difference of RMB138,401,000 was recognised in "finance cost" (Note 12).

On April 29, 2024, the Group repurchased the 2021 Convertible Bonds with principal amount of USD195,823,000 from the market with a total consideration of USD201,776,000 (approximately RMB1,433,941,000) at the proposed repurchase price. The Group allocated the redemption consideration to liability and equity components following the same basis in initial allocation. No gains or losses was recognised for settlement of the liability component. The loss for settling the equity component of RMB239,219,000 was recognised in other reserves.

On June 7, 2024, all the remaining holders of the 2021 Convertible Bonds exercised their early redemption right pursuant to the original terms and conditions of the 2021 Convertible Bonds, whereby the Group repurchased the remaining USD5,394,000 principal amount at a price of 103.04 per cent of principal amount in one lump sum of USD5,558,000 (approximately RMB39,521,000). All the consideration paid to extinguish the 2021 Convertible Bonds through the early redemption was treated as settlement of the liability component. The carrying amount of the remaining equity component of RMB6,589,000 was transferred to other reserves.

Movement of liability component of the 2021 Convertible bonds is presented as follows:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Beginning balance	**1,305,992**	1,653,217
Interest expenses *(Note 12)*	**25,488**	86,766
Adjustment of amortised cost of convertible bonds due to early redemption *(Note 12)*	**138,401**	–
Repurchase before maturity	**(1,473,462)**	(472,103)
Currency translation differences	**3,581**	38,112
Ending balance	**–**	1,305,992

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(a) 2021 Convertible Bonds (Continued)

Repurchase of the 2021 Convertible Bonds (Continued)

Movement of equity component of the 2021 Convertible bonds is presented as follows:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Beginning balance	**245,808**	335,474
Repurchase before maturity	**(245,808)**	(89,666)
Ending balance	**–**	245,808

(b) 2024 Bonds

As disclosed in Note 26(a), on April 29, 2024, the Group issued 2024 Bonds of USD85,000,000. The 2024 Bonds mature on April 29, 2029 (the "Maturity Date") and carry an annual interest rate of 7.50%, with interest payments made semi-annually on April 29 and October 29 of each year.

Cash Conversion Right

The bond holders have the right to require the Group to exchange their bonds at the Cash Conversion Amount at any time during the period from 90 days after the Closing Date to up to the close of business on the 10th day prior to the Maturity Date.

Cash Conversion Amount represents aggregate principal amount of the 2024 Bonds (translated into Hong Kong dollars at fixed exchange rate of 7.8302) subject to such conversion rights divides conversion price (initial conversion price is HKD1.30 per share, which is subject to adjustment for consolidation, subdivision, redesignation or reclassification of shares, and other events as described in the terms and conditions of the 2024 Bonds) multiples the volume-weighted average price of the Company's share for the last ten consecutive trading days.

Redemption at the option of the bond holders – Early Redemption Right

The bond holders have the right to require the Group to repurchase for cash all or any portion of their Bonds on 29 April 2026 at a repurchase price equal to 103.21% of the principal amount of the Bonds, together with interest accrued but unpaid up to but excluding such date.

Redemption at the option of the bond holders – delisting or change of control

Following the occurrence of a delisting or change of control (collectively "Relevant Event"), the bond holders have the right at such holder's option, to require the Group to redeem all or some only of such holder's bonds at a gross yield of 9.0 per cent, together with interest accrued but unpaid up to but excluding such date (if any).

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(b) 2024 Bonds (Continued)

Redemption at the option of the bond issuer

The Group has the right to repurchase for cash in whole i) may at any time after 13 May 2027 and prior to the Maturity Date redeem in whole, but not in part, the 2024 Bonds for the time being outstanding at the early redemption amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, provided that the closing price of the shares for each of 20 out of 30 consecutive trading days, the last of which occurs not more than five trading days prior to the date upon which notice of such redemption is published was at least 130% of the applicable early redemption amount for each bond divided by the conversion ratio then applicable; or ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the early redemption amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90% in principal amount of the 2024 Bonds originally issued has already been converted, redeemed or purchased and cancelled.

Final Redemption

Unless previously redeemed, converted or purchased and cancelled, the bond issuer will redeem each 2024 Bonds at 109.22% of its principal amount together with accrued and unpaid interest thereon on the Maturity Date.

Accounting for the 2024 Bonds

The host contract of 2024 Bonds should be classified as a financial liability because of the contractual obligation to pay cash upon maturity.

Given the Cash Conversion Amount is variable and directly link to the Company's stock price, the cash conversion right is not closely related to the debt host, while the holder's put option and issuer's call option are closely related to the host debt instrument because the exercise price exactly equal on each exercise date to the amortised cost of the host debt instrument. As the cash conversion feature, the holders' put option and the issuer's call option are mutually exclusive and not independent of each other, they should be accounted for as a single compound embedded derivative pursuant to HKFRS 9.

The Group measure 2024 Bonds in its entirety at fair value initially. Transaction cost related to the bond offering of RMB17,531,000 is charged to profit and loss immediately. Subsequent to the initial recognition, the 2024 Bonds are measured at fair value with changes in fair value recognised in the profit and loss, except that the fair value change due to the own credit risk presented in other comprehensive income.

During the year end December 31, 2024, loss of RMB69,394,000 was presented in "Change in fair value of convertible bonds" in profit and loss. The amount of change in the fair value attributable to changes in the own credit risk of RMB157,000 was presented in other comprehensive income which had been subsequently transferred to retained earnings upon derecognition (Note 26(c)).

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(c) 2024 Convertible Bonds

On September 5, 2024, the Group issued USD90,000,000 (approximately RMB623,727,000) of guaranteed convertible bonds (the "2024 Convertible Bonds") at a price of USD97.625 per cent and proposed to repurchase the outstanding 2024 Bonds at a price of USD97.675 per cent.

The key terms including annual interest rate, the maturity date, conversion price, early redemption condition and price under 2024 Bonds and 2024 Convertible Bonds are same except for the replacement of the Cash Conversion Rights with the Equity Conversion Rights as described below.

Equity Conversion Right

The 2024 Convertible Bonds holders have the equity conversion right to convert the bonds into common shares of the Company at any time. The conversion and numbers of shares are initially fixed. Initial conversion price is HKD1.30 per share, which is subject to adjustment for consolidation, subdivision, redesignation or reclassification of shares, and other events as described in the terms and conditions of the 2024 Convertible Bonds.

The interest commencement date was same as issuance date of 2024 Bonds, which also indicated the 2024 Convertible Bonds was a continuation of 2024 Bonds in terms of commercial substance. Therefore, the issuance of 2024 Convertible Bonds was identified as a modification of 2024 Bonds ("Modification"). The 2024 Convertible Bonds were listed on the Hong Kong Stock Exchange on September 6, 2024.

On September 5, 2024, the Group repurchased USD84,000,000 in principal of the 2024 Bonds at the proposed repurchase price of USD97.675 per cent with total consideration of USD82,047,000 (approximately RMB582,443,000). The holders of the remaining outstanding USD1,000,000 had not participate the Modification, while exercised the cash conversion rights in accordance with the original term and conditions in October 2024 in full of total consideration of USD1,508,000 (approximately RMB10,568,000).

Accounting for 2024 Bonds Modification

As the bonds market changed from Singapore to Hong Kong, under which the market risk may vary, and the changing from Cash Conversion Rights to Equity Conversion Rights is a substantial term amendment, the management of the Group assessed qualitatively that the Modification is substantial. Accordingly, the Modification is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, the difference between the carrying amount of the financial liability extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(c) 2024 Convertible Bonds (Continued)

Accounting for 2024 Bonds Modification (Continued)

According to the valuation reports, the fair value of 2024 Bonds and 2024 Convertible Bonds on September 5, 2025 (the "Modification Date") were same at price of USD111.00 per cent. The management considers issuing USD90,000,000 2024 Convertible Bond to replace the USD84,000,000 2024 Bonds as an inseparable arrangement. For the USD84,000,000, the net difference between issuance price and repurchase price (USD0.05 per cent) was treated as modification loss recognised on the Modification date. The USD6,000,000 (being the difference between 2024 Convertible Bond issued of USD90,000,000 and the 2024 Bonds of USD84,000,000) increase in the principal amount was treated as a cash inflow on the Modification date and the difference of fair value of USD111.00 per cent and cash received at USD97.625 per cent were also be treated as modification loss recognised on the Modification date. The total modification losses of USD844,000 (approximately RMB6,026,000) was charged into finance costs (Note 12) on the Modification date.

Accounting for the 2024 Convertible Bonds

As the conversion feature embedded in the 2024 Convertible Bonds meet the equity classification 'fixed-for-fixed' requirements, the Group accounted the 2024 Convertible Bonds as compound financial instruments which contain both a liability component and an equity component.

The initial fair value of the debt host of the bond was determined using a market interest rate for an equivalent non-convertible bond without early redemption right at the issue date. The host of liability is subsequently recognised on an amortised cost basis. The remainder of the proceeds is allocated to the redemption option which is subsequently measured at FVPL.

The conversion option which is recognised in shareholders' equity and not subsequently remeasured. It is initially recognised at fair value and is recognised in reserve until the convertible bonds are either converted or redeemed.

The early redemption option granted to the bondholders of the 2024 Convertible Bonds was not closely related to the host debt. Therefore, it was bifurcated from the host liability component and separately recorded as a derivative instrument at initial recognition. Subsequently, the early redemption option is measured at fair value through profit or loss and changes in fair value is recognised in "Other (losses)/gains, net".

Transaction costs associated with the issuance of the convertible bonds are allocated to the host liability and equity components in proportion to the allocation of proceeds and are not allocated to early redemption options according to HKAS.

If the convertible bonds are converted, the convertible bonds reserve, the redemption option, together with the carrying amount of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued. If the convertible bonds are redeemed, the convertible bonds reserve are released to retained earnings or accumulated losses.

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(c) 2024 Convertible Bonds (Continued)

Share conversion of 2024 Convertible Bonds

As of December 31, 2024, principal amount of USD49,600,000 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 was USD40,681,000 (equivalent to approximately RMB292,454,000) and USD13,290,000 (equivalent to approximately RMB94,340,000), respectively. The conversions resulted in the increases in share capital and share premium of USD30,000 (equivalent to approximately RMB215,000) and USD53,941,000 (equivalent to approximately RMB387,775,000) (Note 33), respectively.

The liability components, early redemption options and equity components of 2024 Convertible Bonds on initial recognition and their movement during the period from issuance date to December 31, 2024 are presented as follows:

	Debt host RMB'000	Early redemption option *(i)* RMB'000	Equity component RMB'000
Fair value as at the issuance date	522,459	2,314	171,182
Interest expenses *(Note 12)*	18,107	–	–
Fair value changes in the redemption option *(Note 11)(i)*	–	(1,044)	–
Conversion	(291,162)	(1,292)	(94,340)
Interest paid	(17,749)	–	–
Currency translation differences	6,592	22	–
Carrying value as of December 31, 2024	238,247	–	76,842

(i) As of December 31, 2024, the Company assessed the fair value of early redemption option was close to zero. The fair value change gain before conversion of RMB1,044,000 was recognised in "Other (losses)/ gains, nets".

In January 2025, the principal amount of USD 39,800,000 (equivalent to RMB 286,102,000) were converted into the ordinary shares of the Company, the remaining outstanding principal amount of the 2024 Convertible Bonds was reduced to USD 600,000 (equivalent to RMB 4,313,000) (Note 42).

26 OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(d) Put option liability measured at amortised cost

The Group acquired a company named Xiangxinyun in January 2022. The Group signed a separate agreement with one of its existing shareholders named Tencent Fund upon the completion of acquisition. Pursuant to the agreement with Tencent Fund, if Xiangxinyun fails to submit application to stock exchanges within 60 months after the acquisition closing date, Tencent Fund shall be entitled to request the Group to repurchase all its equity interests of Xiangxinyun with the price of principal of RMB115,333,000 plus 6% annual interest. As neither Xiangxinyun nor the Group has the unconditional right to avoid delivering cash or financial assets in other forms when Tencent Fund exercises its redemption right, a financial liability was recorded at amortised cost based on the estimated future cash outflows on the acquisition date.

Movement of the put option liability is presented as follows:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Beginning balance	**126,014**	118,950
Interest expenses *(Note 12)*	**5,842**	7,064
Ending balance	**131,856**	126,014

27 DEFERRED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
– Provision for impairment of trade and notes receivables	**76,875**	71,845
– Tax losses	**21,689**	70,590
– Contract liabilities	**1,798**	21,940
– Others	**39,668**	25,922
Total gross deferred tax assets	**140,030**	190,297
Set-off of deferred tax assets pursuant to set-off provisions	**(77,022)**	(166,742)
Net deferred tax assets	**63,008**	23,555

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Net deferred tax assets:		
To be recovered after 12 months	**–**	1,716
To be recovered within 12 months	**63,008**	21,839
	63,008	23,555

27 DEFERRED INCOME TAX (Continued)

	As at December 31	
	2024	2023
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
– Intangible assets arising from business combinations	**(23,385)**	(44,540)
– Unrealized investment income	**–**	(30,379)
– Contract acquisition cost	**(11,003)**	(27,735)
– Others	**(44,210)**	(71,230)
Total gross deferred tax liabilities	**(78,598)**	(173,884)
Set-off of deferred tax liabilities pursuant to set-off provisions	**77,022**	166,742
Net deferred tax liabilities	**(1,576)**	(7,142)

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Deferred income tax liabilities:		
To be recovered after 12 months	**–**	–
To be recovered within 12 months	**(1,576)**	(7,142)
	(1,576)	(7,142)

27 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax assets and liabilities for each of the years ended December 31, 2024 and 2023 without taking into consideration the offsetting of balances within the same jurisdiction are as follows:

Deferred income tax assets

	Provision for impairment of trade and notes receivables RMB'000	Tax losses RMB'000	Contract liabilities RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024	**71,845**	**70,590**	**21,940**	**25,922**	**190,297**
Recognized in the profit or loss	**5,030**	**(48,901)**	**(20,142)**	**13,746**	**(50,267)**
As at December 31, 2024	**76,875**	**21,689**	**1,798**	**39,668**	**140,030**
As at January 1, 2023	64,388	60,193	23,992	4,975	153,548
Recognized in the profit or loss	7,457	10,397	(2,052)	20,947	36,749
As at December 31, 2023	71,845	70,590	21,940	25,922	190,297

Deferred income tax assets are recognized for tax losses carrying forwards and deductible temporary differences to the extent that realization of the related tax benefits through the future taxable profits is probable. As at December 31, 2024, the Group did not recognize net deferred income tax assets in respect of losses and deductible temporary differences of RMB6,073,416,327 (2023: RMB5,539,171,239) and RMB822,702,474 (2023: RMB156,469,218), respectively. These tax losses will expire from 2025 to 2033.

27 DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities

	Contract acquisition cost RMB'000	Investment income RMB'000	Intangible assets arising from business combination RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024	**(27,735)**	**(30,379)**	**(44,540)**	**(71,230)**	**(173,884)**
Recognised in the profit or loss	**16,732**	**30,379**	**21,155**	**27,020**	**95,286**
As at December 31, 2024	**(11,003)**	**–**	**(23,385)**	**(44,210)**	**(78,598)**
As at January 1, 2023	(21,005)	(22,002)	(53,175)	(8,651)	(104,833)
Recognised in the profit or loss	(6,730)	(8,377)	8,635	(62,579)	(69,051)
As at December 31, 2023	(27,735)	(30,379)	(44,540)	(71,230)	(173,884)

Accounting policy of current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

27 DEFERRED INCOME TAX (Continued)

Accounting policy of current and deferred income tax (Continued)

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

28 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at December 31	
	2024	2023
	RMB'000	RMB'000
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 *(Note 38(c))*	**182,489**	207,582
Recoverable value-added tax	**130,038**	164,454
Deposits – third parties	**50,503**	44,195
Contract fulfillment cost *(Note 7.2(v))*	**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 10(b))*	**4,731**	3,339
Others	**10,810**	10,673
	2,285,541	1,911,280
Less: provision for impairment of other receivables *(Note 4.1(iii))*	**(336,168)**	(289,649)
	1,949,373	1,621,631

(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.

Derecognition of other receivables

During the year ended December 31, 2024 and 2023, the Group entered into certain factoring agreements with Sinopharm Rosino (Shanghai) Commercial Factoring Co., Ltd. (the "Factor"). Pursuant to the agreements, the Group has transferred the relevant receivables amounting to RMB198,513,000 (2023: RMB201,409,000) in total and substantially all the risks and rewards of ownership of those receivables to the Factor in exchange for cash of RMB198,513,000 (2023: RMB201,409,000). The Group therefore derecognized the transferred assets in their entirety and the service charge of RMB890,000 (2023: RMB916,000) related to the factoring are recognised in "Other (losses)/gains, net".

29 TRADE AND NOTES RECEIVABLES

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Trade receivables due from third parties	**210,758**	341,898
Notes receivables	**3,849**	13,669
Trade receivables due from related parties *(Note 38(c))*	**3,962**	3,962
Less: Provision for impairment of trade and notes receivables	**(52,262)**	(6,224)
	166,307	353,305

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
	RMB'000	RMB'000
0 – 90 days	**157,878**	347,364
90 – 180 days	**5,717**	525
Over 180 days	**54,974**	11,640
	218,569	359,529

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.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

See Note 3.3 and Note 4.1 for a description of the Group's impairment policies.

Movements on the Group's allowance for impairment of trade and notes receivable have been disclosed in Note 4.1(iii).

30 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Cash at bank	**1,191,751**	1,660,250
Cash equivalents *(i)*	**2,441**	6,440
Cash on hand	**11**	70
	1,194,203	1,666,760
Maximum exposure to credit risk	**1,194,192**	1,666,690

(i) Cash equivalents represent cash balances kept in third party payment platforms, such as Ali-pay and WeChat account which can be withdrawn by the Group at any time.

Cash and cash equivalents are denominated in the following currencies:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
RMB	**1,163,855**	1,566,374
USD	**17,104**	84,760
HKD	**11,170**	13,738
AUD	**860**	518
EUR	**648**	812
JPY	**566**	558

30 CASH AND BANK BALANCES (Continued)

(b) Restricted cash

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Offshore deposits pledged for domestic bank borrowings *(Note 31)*	**510,327**	513,406
Deposits pledged for foreign currency swaps *(Note 4.3(i)(e))*	**16,057**	–
Restricted cash in relation to litigation	**546**	–
	526,930	513,406

(c) Term deposit

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Term deposit	**–**	22,378

(d) Accounting policies of cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

31 BANK BORROWINGS

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Long-term bank borrowings *(a)*	**158,642**	385,520
Sub-total of non-current borrowings	**158,642**	385,520
Short-term bank borrowings *(b)*	**1,155,700**	1,020,000
Letter of credit *(c)*	**450,000**	300,000
Long-term bank borrowings due for repayment within 1 year *(d)*	**455,218**	30,100
Interest payable	**3,186**	2,623
Sub-total of current borrowings	**2,064,104**	1,352,723
Total bank borrowings	**2,222,746**	**1,738,243**

(a) As at December 31, 2024, long-term bank borrowing was RMB158,642,000, which was related to building construction and was collateralized on the Group's certain land use rights with net carrying amount of RMB314,022,000, property, plant and equipment with net carrying amount of RMB414,640,000 (collectively "Collateralized Assets") and equity interests of Weimob Yunshuang, a subsidiary within the Group who owns the Collateralized Assets.

(b) As at December 31, 2024, short-term bank borrowing was RMB1,155,700,000, among which, RMB398,000,000 were domestic loan secured by the Group's pledged offshore bank deposits with total carrying amount approximately RMB410,176,000 (Note 30) and RMB757,700,000 was secured by other subsidiaries within the Group and nil was unsecured.

(c) As at December 31, 2024, letter of credit was RMB450,000,000, among which RMB150,000,000 was secured by the pledge of bank deposits with carrying amount of approximately RMB100,151,000 (Note 30) and RMB300,000,000 was secured by other subsidiaries within the Group.

(d) As at December 31, 2024, Long-term bank borrowings due for repayment within 1 year was RMB455,218,000, among which, RMB30,218,000 was for building construction that was collateralized on the Group's certain land use rights and property, plant and equipment as disclosed in Note (a), RMB395,218,000 was secured by other subsidiaries within Group and RMB60,000,000 was unsecured.

31 BANK BORROWINGS (Continued)

As at December 31, 2024, the Group did not comply with certain financial covenant requirements of a long-term bank borrowing with amount of RMB365,000,000. The non-compliance may cause the relevant bank borrowing, as well as another short borrowing of RMB100,000,000 become immediately due for repayment should the lenders exercise their rights to demand immediate repayment under relevant agreements.

As at December 31, 2024, the Group had unutilized financing facilities of RMB92,300,000.

As at December 31, 2024, annual average interest rate of the total balance of bank borrowings and letter of credit was 3.32% (2023: 3.39%).

Accounting policies of borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of comprehensive loss as finance costs.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

32 TRADE AND OTHER PAYABLES

	As at December 31	
	2024	2023
	RMB'000	RMB'000
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 *(Note 38(c))*	**5**	8
Deposits	**11,197**	13,112
Other payables and accruals	**37,226**	28,617
	2,187,419	1,434,799
Total	**2,190,325**	1,437,705

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.

33 SHARE CAPITAL, SHARES HELD FOR RSU SCHEME, TREASURY SHARES AND SHARE PREMIUM

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000
As at January 1, 2024	2,794,594,990	1,882	8,784,371	(161)
Issuance of ordinary shares for RSU Scheme *(a)*	5,816,400	4	–	(4)
Issuance of ordinary shares *(b)*	277,000,000	197	283,855	–
Share issuance costs *(b)*	–	–	(6,700)	–
Conversion of convertible bonds into ordinary shares *(Note 26)*	298,752,237	215	387,775	–
Transfer of vested RSUs *(Note 35)*	–	–	–	21
As at December 31, 2024	3,376,163,627	2,298	9,449,301	(144)

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Treasury shares RMB'000
As at January 1, 2023	2,549,328,490	1,717	7,475,254	(644)	(39,110)
Issuance of ordinary shares for RSU Scheme *(a)*	14,126,500	10	–	(10)	–
Issuance of ordinary shares *(b)*	248,000,000	167	1,369,660	–	–
Share issuance costs *(b)*	–	–	(21,445)	–	–
Cancellation of buy-back shares *(c)*	(16,860,000)	(12)	(39,098)	–	39,110
Transfer of vested RSUs *(Note 35)*	–	–	–	493	–
As at December 31, 2023	2,794,594,990	1,882	8,784,371	(161)	–

33 SHARE CAPITAL, SHARES HELD FOR RSU SCHEME, TREASURY SHARES AND SHARE PREMIUM (Continued)

(a) During the years ended December 31, 2024 and 2023, the Company issued 5,816,400 shares and 14,126,500 shares to Weimob Teamwork (PTC) Limited for RSU Scheme with nil consideration, respectively. The share capital amount was approximately RMB4,000 and RMB10,000, respectively. The ordinary shares held for the Company's RSU Scheme were regarded as treasury shares and presented as a deduction in equity as "Shares held for RSU Scheme".

(b) On January 13, 2023, the Company issued 248,000,000 placing shares to certain investors at the placing price of HK$6.41 per share and raised gross proceeds of approximately HKD1,589,680,000 (equivalent to approximately RMB1,369,827,000). The respective share capital amount was approximately RMB167,000 and share premium arising from the issuance was approximately RMB1,369,660,000.

On April 26, 2024, the Company issued 277,000,000 placing shares to certain investors at the placing price of HK$1.13 per share and raised gross proceeds of approximately HKD313,010,000 (equivalent to approximately RMB284,052,000). The respective share capital amount was approximately RMB197,000 and share premium arising from the issuance was approximately RMB283,855,000.

During the years ended December 31, 2024 and 2023, share issuance costs that are directly attributable to the issue of the new shares recorded as a deduction against the share premium arising from the issuance were amounting to approximately RMB6,700,000 and RMB21,445,000, respectively.

(c) During the year ended December 31, 2022, the Group bought back a total of 31,643,000 ordinary shares that listed on the Stock Exchange of Hong Kong Limited. As at December 31, 2022, 14,783,000 out of 31,643,000 bought back ordinary shares were cancelled and deducted from the share capital and share premium within shareholders' equity, and the remaining 16,860,000 shares was recorded as "Treasury Shares". During the year ended December 31, 2023, the remaining 16,860,000 shares were cancelled and deducted from the share capital, share premium and treasury shares within shareholders' equity.

(d) Accounting policies of share capital and shares held for employees share scheme

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as "Treasury shares" until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by the Company employee share trust are disclosed as "Shares held for RSU scheme" and deducted from equity attributable to the owners of the Company.

34 OTHER RESERVES

	Capital reserves RMB'000	Share-based payments RMB'000	Currency translation differences RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024	**(1,177,418)**	**429,463**	**(1,395)**	**(106,565)**	**(855,915)**
Currency translation differences	**–**	**–**	**(1,604)**	**–**	**(1,604)**
Transfer of vested RSUs *(Note 35(a))*	**–**	**(21)**	**–**	**–**	**(21)**
Change in fair value of financial liabilities from own credit risk *(Note 26(b))*	**–**	**–**	**–**	**(157)**	**(157)**
Transfer the accumulated fair value changes presented in other comprehensive income to retained earnings upon derecognition of the financial liabilities *(Note 26(b))*	**–**	**–**	**–**	**157**	**157**
Buy-back of 2021 Convertible Bonds *(Note 26(a))*	**–**	**–**	**–**	**245,808**	**245,808**
Share-based compensation expenses for employees *(Note 35(a))*	**–**	**25,490**	**–**	**–**	**25,490**
Transaction with non-controlling interests *(Note 35(b)), (a)*	**(12,954)**	**2,353**	**–**	**–**	**(10,601)**
As at December 31, 2024	**(1,190,372)**	**457,285**	**(2,999)**	**139,243**	**(596,843)**
As at January 1, 2023	(1,177,418)	342,972	5,021	(76,144)	(905,569)
Currency translation differences	–	–	(6,416)	–	(6,416)
Transfer of vested RSUs *(Note 35(a))*	–	(493)	–	–	(493)
Buy-back of convertible bonds *(Note 26)*	–	–	–	(30,421)	(30,421)
Share-based compensation expenses for employees *(Note 35(a))*	–	80,035	–	–	80,035
Transaction with non-controlling interests *(Note 35(b))*	–	6,949	–	–	6,949
As at December 31, 2023	(1,177,418)	429,463	(1,395)	(106,565)	(855,915)

(a) During the year ended December 31, 2024, the Group acquired another 10% equity interest of Shanghai Mengxiao Information Technology Co., Ltd. ("Mengxiao") from its non-controlling shareholder for a consideration of RMB13,000,000. After the transaction, the Group held 80% equity interest in Mengxiao. The excess of carrying amounts of acquired net non-controlling interests over the considerations, being approximately RMB12,954,000, was recognised directly in equity. As December 31, 2024, RMB13,000,000 has been fully paid.

35 SHARE-BASED PAYMENTS

The share-based compensation expenses recognised for the years ended December 31, 2024 and 2023 are summarised in the following table:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Share-based compensation expenses for employees *(a)*	**25,490**	80,035
Share-based compensation expenses for non-controlling interests *(b)*	**1,539**	2,769
Total	**27,029**	82,804

(a) Share-based compensation plans of the Company

Original Option Plan (the "2018 RSU Plan") before the Listing

The Company has set up one structured entity ("RSU Scheme Trust"), namely Weimob Teamwork, which is solely for the purpose of administering and holding the Company's shares for the RSU scheme adopted before the Listing. Weimob Teamwork has been appointed as the trustee (the "Trustee") pursuant to the trust deed to administrate the RSU Plan immediately after the consummation of the Listing. Prior to the Listing, Mr. Sun Taoyong is the administrator of the RSU Scheme Trust.

Since the Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited on January 15, 2019, the Company has the power to direct the relevant activities of the RSU Scheme Trust and it has the ability to use its power over the RSU Scheme Trust to affect its exposure to returns. Therefore, the assets and liabilities of the RSU Scheme Trust are included in the Group's consolidated statement of financial position and the ordinary shares held for the Company's RSU scheme were regarded as treasury shares and presented as a deduction in equity as "Shares held for RSU scheme".

During the year ended December 31, 2024, the Company has not granted any RSUs under this 2018 RSU Plan.

35 SHARE-BASED PAYMENTS (Continued)

(a) Share-based compensation plans of the Company (Continued)

2020 RSU Scheme

The 2020 restricted share unit scheme (the "2020 RSU Scheme") of the Company was approved by the Board on May 25, 2020 and was approved by the Shareholders at the annual general meeting of the Company held on June 29, 2020. The vesting period of the 2020 RSU Scheme varies from one to four years subject to employees' continuous service to the Group and the purchase price of the RSUs granted under 2020 RSU Scheme is nil.

On April 4, 2023 and December 12, 2023, the Group granted 21,547,000 RSU and 5,816,000 RSU to certain employees under the 2020 RSU Scheme without consideration. The RSUs granted in April 2023 vested immediately or over a four-year vesting period (25% per each year), and the RSUs granted in December 2023 vested over a four-year vesting period (25% per each year).

The Group did not grant to any suppliers, customers and any other persons who provide service to the Group.

During the year ended December 31, 2024, the Company has not granted any RSUs under this 2020 RSU Plan.

Movements in the number of RSUs granted and not yet vested is as follows:

	Original Option Plan		2020 RSU Scheme		
	Number of RSUs (in thousand)	Weighted Average Fair value per RSU (RMB)	Number of RSUs (in thousand)	Weighted Average Fair value per RSU (RMB)	Total Number of RSUs (in thousand)
As at January 1, 2024	**–**	**–**	**34,380**	**2.61**	**34,380**
Vested	**–**	**–**	**(13,324)**	**1.55**	**(13,324)**
Forfeited	**–**	**–**	**(8,623)**	**1.49**	**(8,623)**
As at December 31, 2024	**–**	**–**	**12,433**	**3.03**	**12,433**
As at January 1, 2023	199	5.95	26,977	5.95	27,176
Granted *(i)*	–	–	27,363	3.78	27,363
Vested	(199)	3.50	(15,347)	3.22	(15,546)
Forfeited	–	–	(4,613)	3.46	(4,613)
As at December 31, 2023	–	–	34,380	2.61	34,380

(i) The fair value at grant date was determined based on the market price of the Company's shares on that date.

No RSUs were expired during the years ended December 31, 2024 and 2023.

35 SHARE-BASED PAYMENTS (Continued)

(b) Share-based compensation plan of Wuxi Yazuo and Xiangminiao

The Group acquired 63.83% and 66.98% equity interests in Wuxi Yazuo Zaixian Technology Co., Ltd. ("Wuxi Yazuo") and Xiangminiao in March 2020 and May 2021, respectively. Pursuant to the relevant share purchase and subscription agreements, each of the co-founders of Wuxi Yazuo and Xiangminiao (collectively the "Subsidiaries") committed a five-years post-combination services period. The number of shares subject to transfer is calculated on a time proportion basis. The post-combination services commitment was treated as service condition of the share-based compensation to the founders.

In addition, the share purchase and subscription agreements with Xiangminiao also stipulated that if Xiangminiao achieved certain performance target in the two years since the acquisition date, the Group shall transfer 3% common shares of Xiangminiao to the founders for free each year. The achievement of performance target was treated as performance condition of the share-based compensation to the founders.

As disclosed in Note 41, in May 2023, the Group disposed Shanghai Weimob Canlin Information Technology Co., Ltd. ("Weimob Canlin") and its subsidiaries including Wuxi Yazuo (collectively "Canlin Group"). The above five-years post-combination services requirement for the co-founders of Wuxi Yazuo was deemed as completed/waived by the Group, therefore, the common shares originally granted for exchange of co-founders' post-combination service were treated as fully vested immediately before the transaction and the remaining service expenses were accelerated to be amortised and charged to the profit and loss.

For the year ended December 31, 2024, the service expense amounting to RMB1,539,000 (2023: RMB2,769,000) was charged to "general and administrative expenses" in the consolidated statement of comprehensive loss and credited to "non-controlling interests" as consideration was settled by equity of Xiangminiao (2023: Wuxi Yazuo and Xiangminiao) instead of the Company's common shares.

The difference of RMB2,399,000 (2023: RMB6,949,000) between the amount of changes in non-controlling interests and the cost of common share vested is recognised in reserve within equity attributable to owners of the Group.

35 SHARE-BASED PAYMENTS (Continued)

(c) Accounting policies of share-based payment

The Group operates an equity-settled share-based compensation plan, under which the Group receives service from its employees in exchange for the equity instruments of the Company. The fair value of the employee service received in exchange for the grant of RSUs is recognised as an expense, which is determined by reference to the fair value of the equity instruments granted:

(i) Including any market performance conditions (for example, an entity's share price);

(ii) Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

(iii) Including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest.

At the end of each reporting period, the Group revises its estimates of the number of RSUs that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

36 NET CASH USED IN OPERATION

(a) Cash used in operations

	Year ended December 31 2024 RMB'000	2023 RMB'000
Loss before income tax	**(1,787,203)**	(726,357)
Adjustment for:		
Depreciation of property, plant and equipment *(Note 17)*	**14,649**	23,105
Depreciation of right-of-use assets *(Note 8)*	**40,943**	42,869
Amortisation of intangible assets *(Note 20)*	**229,378**	255,773
Loss on disposal of property, plant and equipment	**3,062**	281
Fair value loss/(gain) on bonds and convertible bonds	**69,394**	(5,747)
Net fair value loss on other financial assets and liabilities at FVPL	**265,852**	(16,158)
Fair value loss on investment properties *(Note 19)*	**2,430**	1,190
Share-based payment expenses *(Note 9)*	**27,029**	82,804
Interest expenses *(Note 12)*	**250,189**	151,223
Loss on the modification of 2024 Bonds and issuance of 2024 Convertible Bonds *(Note 12)*	**6,026**	–
Issuance costs of 2024 Bonds offering *(Note 12)*	**17,531**	–
Interest income from bank deposits held for cash management purpose *(Note 13)*	**(12,006)**	(33,889)
Interest income from term deposits and loans to third and related parties *(Note 10)*	**(10,966)**	(15,098)
Foreign exchange loss/(gain), net	**16,305**	(14,074)
Net impairment losses on financial assets *(Note 4.1(iii))*	**91,362**	30,491
Share of net loss of investments accounted for using equity method *(Note 22)*	**24,909**	10,479
Gains from buy-back of convertible bonds measured at amortised cost before maturity *(Note 11)*	**–**	(111,180)
Impairment loss of goodwill *(Note 11)*	**41,909**	–
Impairment provision for intangible assets *(Note 20)*	**179,388**	20,985
Gain on disposal of subsidiaries	**–**	(7,536)
Gain on remeasurement of ROU	**–**	(6,981)
Others	**4,228**	(3,186)
	(525,591)	(321,006)
Changes in working capital:		
(Increase)/Decrease in restricted cash	**(546)**	44,567
Decrease in trade and notes receivables	**140,960**	5,498
Decrease in contract liabilities	**(63,653)**	(37,125)
(Increase)/Decrease in financial assets at FVOCI	**(201,741)**	74,460
Increase in prepayments, deposits and other assets	**(360,798)**	(414,311)
Decrease/(Increase) in contract acquisition cost	**51,725**	(6,348)
Increase in trade and other payables	**704,435**	81,366
Cash used in operations	**(255,209)**	(572,899)

36 NET CASH USED IN OPERATION (Continued)

(a) Cash used in operations (Continued)

In the consolidated statement of cash flow, proceeds from disposal of property, plant and equipment comprise:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Net book amount	**3,169**	1,665
Net loss on disposal of property, plant and equipment	**(3,062)**	(281)
Proceeds from disposal of property, plant and equipment	**107**	1,384

(b) Net debt reconciliation

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents	**1,194,203**	1,666,760
Restricted cash	**526,930**	513,406
Term deposits	**–**	22,378
Other financial liabilities at FVPL (current and non-current)	**(58,864)**	(61,658)
Bank borrowings (current and non-current)	**(2,222,746)**	(1,738,243)
Convertible bonds at amortised cost (current and non-current)	**(238,247)**	(1,305,992)
Put option liability measured at amortised cost	**(131,856)**	(126,014)
Lease liabilities (current and non-current)	**(37,950)**	(59,834)
Net debt	**(968,530)**	(1,089,197)

36 NET CASH USED IN OPERATION (Continued)

(b) Net debt reconciliation (Continued)

	Cash and cash equivalents RMB'000	Term deposits RMB'000	Restricted cash RMB'000	Leases (principal elements) RMB'000	Borrowings (current and non-current) RMB'000	Bonds at FVPL *(Note 25)* RMB'000	Liability component of convertible bonds at amortised cost *(Note 26)* RMB'000	Put option liability from the 2024 Convertible Bond *(Note 26)* RMB'000	Other financial liabilities at FVPL (current and non-current) *(Note 25)* RMB'000	Put option liability measured at amortised cost RMB'000	Total RMB'000
Net debt as at January 1, 2024	1,666,760	22,378	513,406	(59,834)	(1,738,243)	–	(1,305,992)	–	(61,658)	(126,014)	(1,089,197)
Financing cash flows	(456,182)	(23,597)	3,831	38,227	(419,766)	(11,050)	968,752	(2,314)	–	–	97,901
New leases	–	–	–	(17,687)	–	–	–	–	–	–	(17,687)
Foreign exchange adjustments	(16,375)	70	–	–	–	739	(10,173)	–	–	–	(25,739)
Fair value changes	–	–	–	–	–	(69,551)	–	1,044	2,794	–	(65,713)
Conversion of convertible bonds	–	–	–	–	–	–	291,162	1,292	–	–	292,454
Other non-cash movement *(i)*	–	1,149	9,693	1,344	(64,737)	79,862	(181,996)	(22)	–	(5,842)	(160,549)
Net debt as at December 31, 2024	1,194,203	–	526,930	(37,950)	(2,222,746)	–	(238,247)	–	(58,864)	(131,856)	(968,530)
Net debt as at January 1, 2023	1,710,103	417	781,308	(151,255)	(1,818,870)	(136,702)	(1,653,217)	–	(37,595)	(118,950)	(1,424,761)
Financing cash flows	(58,796)	21,271	(264,535)	55,943	83,250	128,798	360,923	–	–	–	326,854
New leases	–	–	–	(25,487)	–	–	–	–	–	–	(25,487)
Disposal of subsidiaries	(3,778)	–	–	1,499	–	–	–	–	(7,273)	–	(9,552)
Foreign exchange adjustments	19,231	515	(6,097)	–	–	2,157	(38,112)	–	–	–	(22,306)
Fair value changes	–	–	–	–	–	5,747	–	–	(16,790)	–	(11,043)
Gains from buy-back of convertible bonds measured at amortised cost	–	–	–	–	–	–	111,180	–	–	–	111,180
Other non-cash movement *(i)*	–	175	2,730	59,466	(2,623)	–	(86,766)	–	–	(7,064)	(34,082)
Net debt as at December 31, 2023	1,666,760	22,378	513,406	(59,834)	(1,738,243)	–	(1,305,992)	–	(61,658)	(126,014)	(1,089,197)

(i) Other major non-cash movement mainly includes lease liability movement due to lease modification and early termination, accrued interests related to lease liabilities, liability component of convertible bonds and put option liability measured at amortised cost, and 2024 Bonds modification loss.

36 NET CASH USED IN OPERATION (Continued)

(c) Other non-cash investing and financing activities

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Settlement of investment in Acewill by equity interests in Weimob Canlin *(Note 41)*	**–**	67,191
Settlement of investment in Xiaoke by debt-equity swap *(Note 25(a)(i))*	**59,220**	–
Offsetting receivables and payables *(Note 4.4)*	**7,730**	14,329

37 CAPITAL COMMITMENTS

Significant capital expenditure contracted for as at December 31, 2024 and 2023 but not recognised as liabilities is as follows:

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Long-term investment	**103,561**	61,000
Buildings	**102,575**	250,682
	206,136	311,682

38 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The directors of the Company are of the view that the following parties/companies were related parties that had significant transactions or balances with the Group for the years ended December 31, 2024 and 2023:

Name of related parties	**Relationship with the Group**
Xiaoke	Associate of the Group
Syoo	Associate of the Group
Clipworks	Associate of the Group
Demo	Associate of the Group
Nengtong	Associate of the Group
Acewill *(i)*	Associate of the Group
Canlin Group *(i)*	Subsidiary of an associate of the Group
Shanghai Beyond Science Technology Co., Ltd ("Beyond Science")	Non-controlling shareholders of Heading

(i) As discussed in Note 41, Acewill and Canlin Group became the Group's associates since May 31, 2023. The following disclosure of transactions with these two entities only covered period from May 31, 2023 to December 31, 2024.

38 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Operating activities:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Provide subscription solutions service to related parties		
Xiaoke	**11,965**	8,201
Demo	**–**	2,998
	11,965	11,199
Purchase of short video services from a related party		
Clipworks	**108**	2,008
Purchase of advertising traffic on behalf of a related party		
Xiaoke	**525**	408
Technology service fee charged by related parties		
Xiaoke	**1,820**	831
Canlin Group	**26**	8
Beyond Science	**23**	33
Acewill	**31**	–
	1,900	872
Sales commissions paid to related parties as channel partners for subscription solutions service		
Demo	**–**	7,056

The prices for the above service fees were determined in accordance with the terms mutually agreed by the contract parties.

38 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

Non-operating Activities:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Loans to related parties		
Xiaoke	**252,100**	125,500
Nengtong	**3,700**	–
Acewill	**–**	4,000
	255,800	129,500
Interest income from related parties		
Xiaoke	**12,363**	5,719
Nengtong	**41**	–
Canlin Group	**–**	–
Acewill	**83**	37
Clipworks	**–**	56
	12,487	5,812
Repayments from related parties		
Xiaoke	**194,220**	–
Canlin Group	**2,500**	–
Acewill	**1,500**	–
Clipworks	**–**	2,113
	198,220	2,113
Repayment to a related party		
Beyond Science	**–**	7,226
Dividend paid to a related party		
Beyond Science	**–**	4,703
Debt-equity swap *(Note 25(a)(i))*		
Xiaoke	**59,220**	–

38 RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances with related parties

	As at December 31	
	2024	2023
	RMB'000	RMB'000
Trade receivables from related parties		
Syoo	**3,962**	3,962
Less: Provision for impairment of trade receivable	**(3,962)**	(3,962)
	–	–
Other receivables from related parties		
Trade nature – related to advertising services where the Group acts as agent (net basis revenue)		
Xiaoke	**–**	14,804
Non-trade nature		
Xiaoke	**178,150**	188,489
Nengtong	**3,741**	–
Canlin Group	**513**	2,735
Acewill	**45**	1,514
Syoo	**40**	40
	182,489	192,778
Total other receivables from related parties	**182,489**	207,582
Less: provision for impairment of other receivable	**(22,547)**	(985)
Total other receivables from related parties	**159,942**	206,597
Prepayments to related parties for subscription of new shares		
Beyond Science	**1,000**	1,000
Other payable due to related parties		
Beyond Science	**–**	3
Canlin Group	**5**	5
	5	8

38 RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances with related parties (Continued)

Trade receivables from related parties were unsecured, interest-free and repayable on demand.

As at December 31, 2024, loan receivables from Xiaoke of RMB178,150,000 was non-trade in nature, unsecured, with a fixed interest rate of 7% per annum and repayable in 2025. Loan receivables from Nengtong of RMB3,700,000 were non-trade in nature, unsecured, bearing a fixed interest rate of 5.0% per annum and repayable in September 2024.

Except for the impaired trade and other receivable due from Xiaoke, Syoo and Nengtong, the amounts due from and to other related parties are neither past due nor impaired. The carrying amounts of the amounts due from and to related parties approximate their fair values and are denominated in RMB.

(d) Key management compensation

Key management includes executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31	
	2024	2023
	RMB'000	RMB'000
Salaries and wages	**6,352**	8,250
Bonuses	**100**	1,438
Other social security costs, housing benefits and other employee benefits	**598**	672
Pension cost – defined contribution plan	**432**	447
Share-based compensation	**6,133**	18,168
	13,615	28,975

39 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

Remuneration of every director and the chief executive's is set out below:

	Directors' fees RMB'000	Salaries and wages RMB'000	Bonuses RMB'000	Other social security costs housing benefits and other employee benefits RMB'000	Pension cost-defined contribution plan RMB'000	Share-based Compensation RMB'000	Total RMB'000
For the year ended December 31, 2024							
Executive director:							
Mr. Sun Taoyong	–	1,091	–	99	71	–	1,261
Mr. Fang Tongshu	–	617	–	100	71	–	788
Mr. You Fengchun	–	601	100	54	28	–	783
Mr. Guo Junxian *(i)*	–	287	–	20	35	–	342
Mr. Fei Leiming *(ii)*	–	355	–	29	19	1,376	1,779
Independent non-executive directors							
Li Xufu	275	–	–	–	–	–	275
Tang Wei	275	–	–	–	–	–	275
Xu Xiao'ou	275	–	–	–	–	–	275
	825	32,951	100	302	224	1,376	5,778

(i) Mr. Guo Junxian resigned as an executive director on August 21, 2024. The above disclosure of Mr. Guo's emoluments only covered period from January 16, 2024 to August 21, 2024.

(ii) Mr. Fei Leiming has been appointed as an executive director from August 21, 2024. The above disclosure of Mr. Fei's emoluments only covered period from August 21, 2024 to December 31, 2024.

39 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

	Directors' fees RMB'000	Salaries and wages RMB'000	Bonuses RMB'000	Other social security costs housing benefits and other employee benefits RMB'000	Pension cost-defined contribution plan RMB'000	Share-based Compensation RMB'000	Total RMB'000
For the year ended December 31, 2023							
Executive director:							
Mr. Sun Taoyong	–	1,108	111	99	68	–	1,386
Mr. Huang Junwei *(i)*	–	268	83	48	22	–	421
Mr. Fang Tongshu	–	618	90	99	68	–	875
Mr. You Fengchun	–	668	89	74	47	–	878
Independent non-executive directors							
Sun Mingchun	270	–	–	–	–	–	270
Li Xufu	270	–	–	–	–	–	270
Tang Wei	270	–	–	–	–	–	270
Xu Xiao'ou *(ii)*	176	–	–	–	–	–	176
	986	2,662	373	320	205	–	4,546

(i) Mr. Huang Junwei resigned as an executive director on May 8, 2023. The above disclosure of Mr. Huang's emoluments only covered period from January 1, 2023 to May 8, 2023.

(ii) Xu Xiao'ou has been appointed as an independent non-executive director from May 8, 2023. The above disclosure of Xu Xiao'ou's emoluments only covered period from May 8, 2023 to December 31, 2023.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the years ended December 31, 2024 and 2023.

(c) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time for the years ended December 31, 2024 and 2023.

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings are entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors for the years ended December 31, 2024 and 2023.

(e) Directors' material interests in transactions, arrangements or contract

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted for the years ended December 31, 2024 and 2023.

40 CONTINGENT LIABILITIES

Saved as contingent consideration payable for acquiring Heading disclosed in Note 4.3(i)(f), the Group did not have any material contingent liabilities as at December 31, 2024.

41 INVESTMENT IN ACEWILL AND DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY

On May 8, 2023, Weimob Development entered into an investment agreement with Acewill and Acewill's existing shareholders, pursuant to which, Weimob Development agreed to subscribe for the new registered capital of RMB12,449,054 in Acewill, representing approximately 25.68% equity interests of Acewill, at a consideration of RMB20 million in cash (the "Cash Consideration") and 100% equity interests in Weimob Canlin, a wholly-owned subsidiary of Weimob Development (the "Equity Consideration").

The 25.68% equity interests in Acewill acquired by the Group enjoys certain preferential rights including, but not limited to, redemption rights and liquidation preference etc. The Group accounts for its equity interests in Acewill as financial asset at FVPL. The fair value of 25.68% redeemable preferred shares of Acewill acquired by the Group immediately before the Transaction Date was RMB102 million, which approximated to the fair value of Weimob Canlin of RMB82 million plus cash of RMB20 million.

Immediately before the transaction, Weimob Canlin holds approximately 63.14% equity interest in Wuxi Yazuo and the remaining approximately 36.86% equity interest is held by non-controlling shareholders. Upon the completion of this transaction on May 31, 2023 (the "Transaction Date"), Canlin Group, the Group lost control of Canlin Group and Canlin Group was deconsolidated from the Group.

Pursuant to the investment agreement, Weimob Development would procure the transfer of the remaining approximately 36.86% equity interests in Wuxi Yazuo to Acewill (the "Procurement"). The consideration of the Procurement was negotiated between the Group and the non-controlling shareholders of Wuxi Yazuo, either by cash or up to 3% equity interest of Acewill. If the Group fails to accomplish the Procurement within 1 year after the Transaction Date, the Group shall transfer up to 3% of Acewill's equity interests back to Acewill for no consideration. The preferential rights attached to the 3% equity interests of Acewill might be transferred either to the non-controlling shareholders of Wuxi Yazuo or Acewill are subordinate to the equity interest held by the Group after the transfer.

As a result, a financial liability at FVPL of RMB7,273,000 was recognised at the Transaction Date for the potential contractual obligation to deliver cash or equity interests of Acewill. The Group determined the fair value of the financial liability at FVPL based on the underlying investment in Acewill.

41 INVESTMENT IN ACEWILL AND DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY (Continued)

The Group recorded a disposal gain of RMB7,536,000 in 2023, being the difference between (i) the net proceeds from the disposal of Weimob Canlin in form of preferred shares issued by Acewill; and (ii) the carrying value of the net assets of Weimob Canlin that owned by the Group including goodwill allocated to Weimob Canlin immediately before the disposal, as follows:

Fair value of preferred shares issued by Acewill	102,000
Less: Cash Consideration paid to Acewill	(20,000)
Less: financial liability at FVPL	(7,273)
Net proceeds of disposal of Weimob Canlin *(a)*	74,727
Carrying amount of net assets of Canlin Group	(45,657)
Goodwill reallocated to Wuxi Yazuo	(5,751)
Add: Carrying amount of net liabilities of Wuxi Yazuo held by the non-controlling interests of Wuxi Yazuo	(15,783)
The carrying value of the net assets of Weimob Canlin that owned by the Group *(b)*	(67,191)
Gain on deconsolidation *(a) – (b)*	7,536

As at December 31, 2024, the Procurement has not been accomplished yet. The directors of the Company assessed the fair value of financial liability in Acewill was approximately RMB21,269,000, respectively by using the equity allocation method.

42 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.

43 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Financial position of the Company

	Note	As at December 31 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Investment in subsidiaries	*(i)*	7,797,570	7,651,732
Total non-current assets		7,797,570	7,651,732
Current assets			
Financial assets at fair value through profit or loss		19,506	52,285
Prepayments, deposits and other assets		1,278	3,106
Restricted cash		526,385	513,406
Cash and cash equivalents		15,142	700,431
Term deposits		–	22,378
Total current assets		562,311	1,291,606
Total assets		8,359,881	8,943,338
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*33*	2,298	1,882
Shares held for RSU scheme	*33*	(144)	(161)
Share premium	*33*	9,449,301	8,784,371
Other reserves		3,483	(21,986)
Accumulated losses		(1,365,547)	(1,213,277)
Total equity		8,089,391	7,550,829
Current liabilities			
Payables due to intercompany		259,128	1,380,794
Other payables and accruals		11,362	11,715
Total current liabilities		270,490	1,392,509
Total liabilities		270,490	1,392,509
Total equity and liabilities		8,359,881	8,943,338

43 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Financial position of the Company (Continued)

(i) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in the subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial information of the investee's net assets including goodwill.

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity.

As at December 31, 2024, the accumulated capital injection to Weimob Development is RMB4,497,696,000 (As at December 31, 2023: RMB4,497,696,000).

As disclosed in Note 35, immediately after the consummation of the Listing, Weimob Teamwork started to administer and hold the RSU Scheme which is included in the Group's consolidated financial statements. The RSUs grant by the Company to the employees of its subsidiaries is treated as a capital contribution to subsidiaries. The Company recognised an increase in the investment in the subsidiaries of RMB25,490,000 during the year ended December 31, 2024 (2023: RMB80,035,000). As at December 31, 2024, the accumulated capital contribution related to RSUs Scheme amounted to RMB430,865,000 (As at December 31, 2023: RMB405,375,000).

During the year ended December 31, 2024, the Company also made additional investments RMB120,348,000 to its PRC subsidiaries to support their daily operation (As at December, 2023: RMB1,145,159,000). As the Company has no intention to collect the amount back from PRC subsidiaries, the cash transferred is recognized as investment in subsidiaries. The accumulated capital contribution to PRC subsidiaries as at December 31, 2024 was RMB2,869,009,000 (As at December 31, 2023: RMB2,748,661,000).

43 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Other reserves RMB'000	Accumulated losses RMB'000
As at January 1, 2024	**(21,986)**	**(1,213,277)**
Loss for the year	**–**	**(152,270)**
Total comprehensive loss for the year	**–**	**(152,270)**
Transfer of vested RSUs *(Note 35)*	**(21)**	**–**
Share-based compensation expenses for employees *(Note 35)*	**25,490**	**–**
Total transactions with owners recognized directly in equity for the year	**25,469**	**–**
As at December 31, 2024	**3,483**	**(1,365,547)**

	Other reserves RMB'000	Accumulated losses RMB'000
As at January 1, 2023	(101,528)	(1,295,176)
Comprehensive profit		
Profit for the year	–	81,899
Total comprehensive profit for the year	–	81,899
Transfer of vested RSUs *(Note 35)*	(493)	–
Share-based compensation expenses for employees *(Note 35)*	80,035	–
Total transactions with owners recognized directly in equity for the year	79,542	–
As at December 31, 2023	(21,986)	(1,213,277)

DEFINITIONS

"AGM"	the forthcoming annual general meeting of the Company
"Articles of Association"	the amended and restated articles of association of the Company
"Audit Committee"	the audit committee of the Company
"Award(s)"	award(s) of RSUs granted to a participant pursuant to the 2020 RSU Scheme
"Board"	the board of Directors of the Company
"Bond Issuer"	Weimob Investment Limited, a wholly-owned subsidiary of the Company
"Company"	Weimob Inc., an exempted company incorporated in the Cayman Islands with limited liability on January 30, 2018
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	director(s) of the Company
"Group", "our Group", "the Group", "we", "us" or "our"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on January 15, 2019
"Listing Date"	January 15, 2019, the date on which the Shares are listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

DEFINITIONS

"Nomination Committee"	the nomination committee of the Company
"PRC" or "China"	the People's Republic of China. For the purposes of the Report only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
"Prospectus"	the prospectus of the Company dated December 31, 2018
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Company
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Report"	the 2024 annual report of the Company
"Reporting Period"	the year ended December 31, 2024
"RSU"	the restricted stock unit
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning as ascribed thereto under the Listing Rules
"Substantial Shareholders Group"	Mr. SUN Taoyong, Mr. FANG Tongshu, Mr. YOU Fengchun, a group of individuals acting in concert with each other and the single largest shareholder group of the Company
"Tencent"	Tencent Holdings Limited, a limited liability company organized and existing under the laws of the Cayman Islands and the shares of which are listed on the Main Board (stock code: 700) and/or its subsidiaries
"US$", "USD" or "United States dollar(s)"	United States dollar(s), the lawful currency of the United States of America
"Weimob Development"	Shanghai Weimob Enterprise Development Co., Ltd.* (上海微盟企業發展有限公司), a company established under the laws of the PRC on September 10, 2014, being a wholly-owned subsidiary of our Company

* *For identification purposes only*

WEIMOB INC. 微盟集團