NETJOY HOLDINGS LIMITED
云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2131)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of Netjoy Holdings Limited (the "**Company**" or "**Netjoy**") hereby announces the audited consolidated financial results of the Company and its subsidiaries and consolidated affiliated entities (together, the "**Group**" or "**we**") for the year ended December 31, 2024 (the "**Reporting Period**") together with the comparative figures for the year ended December 31, 2023 as follows:

FINANCIAL RESULTS HIGHLIGHTS

	Year ended December 31,		
	2024	2023	Year-on-year Change
	(RMB in millions, except percentage)		
Revenue	**3,149.63**	3,009.89	**4.64%**
Gross profit	**122.28**	250.75	**(51.23)%**
(Loss)/profit before tax	**(465.14)**	9.41	**(5,043.04)%**
(Loss)/profit and total comprehensive (loss)/income for the year	**(462.09)**	7.49	**(6,269.43)%**
Adjusted net (loss)/profit	**(444.58)**	24.96	**(1,881.17)%**

MANAGEMENT DISCUSSION AND ANALYSIS

2024 ANNUAL RESULTS HIGHLIGHTS

In 2024, the global economy recorded a modest growth, while the domestic economy maintained stability and delivered meaningful progress. Despite total retail sales of consumer goods in China reaching RMB48.8 trillion, a year-on-year ("**YoY**") increase of 3.5%, the slowdown in the growth rate also pointed to structural changes in the consumer market. On that end, consumers are increasingly looking for value preservation, product practicality, and price competitiveness, with longer decision cycles putting challenges on brands' marketing strategies and sales conversion. In view of the complex and dynamic situation, the digital marketing services industry faced the dual challenges of diminishing brand budgets and the demand for a shorter advertising value chain. On the one hand, brands were becoming increasingly cautious about large-scale marketing investment, demanding greater resource integration efficiency and tangible conversion results. On the other hand, intensifying market competition and the evolving media landscape have led to a slowdown in user growth across media platforms, resulting in sustained increases in media traffic costs, and rising difficulty and decreasing margins for marketing service providers in acquiring customers. Coupled with industry regulatory requirements targeting areas such as false advertising, data fabrication, and personal information privacy protection, compliance costs and potential operational risks for marketing service providers were also on the rise.

Meanwhile, while artificial intelligence ("**AI**") technology has effectively improved operational efficiency in areas such as content generation and intelligent advertisement delivery, it has also created new barriers to entry, forcing marketing service providers to embrace AI and accelerate relevant development to stay competitive. The subsequent market consolidation and shifts in competition dynamics have shifted the industry's focus from scale expansion to efficiency improvement and high-quality growth, with market players competing across service offerings and operational efficiency. Overall, under the combined effects of factors such as "budget contraction, increased traffic costs, stricter regulations, and intensified competition", the digital marketing industry was facing greater uncertainties.

Facing such a complex and volatile market environment, the Group has leveraged its in-depth insights and industrial know-how to explore new growth opportunities. On the one hand, the Group has secured stable business volume by capitalizing on the substantial user bases of leading media platforms; on the other hand, the Group has accelerated collaborations with emerging media platforms, diversifying its media channel coverage to counter an increasingly competitive market. In addition, the Group sought new opportunities across the upstream and downstream segments of the industry chain to diversify its exposure and sustain growth. On the breakthrough of advanced AI technologies such as Artificial Intelligence Generated Content ("**AIGC**") and AI Agent, the Group has been actively exploring relevant applications in marketing services, so as to improve efficiency and streamline cost. Given the expansion of overseas markets, the Group has also sought to tailor its business expansion strategy to different markets, leveraging its mature business model, data accumulation, and industrial know-how to unlock further business value.

In 2024, the Group's gross billing amounted to approximately RMB7.631 billion. Supported by the (i) ongoing strategic adjustments, under which the Group maintained cooperation with existing media channels and new media channel penetration; and (ii) the Group's diversifying business development, with micro drama business showing initial success and promising revenue growth, the Group's total revenue reached approximately RMB3.150 billion, representing a year-on-year increase of 4.64%. Gross profit decreased by 51.23% from approximately RMB251 million in 2023 to RMB122 million in the Reporting Period, with gross profit margin also decreasing by 4.4 percentage points to 3.9% year-on-year, as a result of the gradual slowdown in the growth rate of internet users, rising competition, traffic and customer acquisition costs. In addition to cost pressures, the Group encountered a major business risk event during the development of its 3C supply chain project, resulting in an associated asset impairment. The Group has made impairment provisions and write-downs on trade receivables, prepayments and other receivables, and has recognised fair value losses and impairment on other financial assets. The combination of the above factors led to a full-year loss of approximately RMB462 million, or an adjusted net loss of RMB445 million for the Reporting Period. As of December 31, 2024, the Group's cash and bank balance was approximately RMB595 million, providing a solid foundation for the Group's sustainable operation and development.

During the Reporting Period, the Group continued to explore integrating AI technology into its core businesses, launching an AIGC content creation platform that significantly enhanced the Group's content creation capabilities, thereby supporting the further development of its Intelligent Marketing Solutions business. By the end of the Reporting Period, the Group had cumulatively provided services to 35,534 advertising customers from 307 industry verticals, covering online games, online services, financial services, culture and media, advertising, e-commerce, and other industries. During the Reporting Period, the number of key account ("**KA**") customers served by the Group has also increased to 1,408, representing a year-on-year increase of 29.29%.

With its excellence and leading position in integrated platform technology, media resource integration, and big data analysis, the Group has gained broad recognition both within and beyond the industry. In 2024, the Group received a number of industry awards and recognitions, including the "Excellent Annual Agency Awards" at the 2024 Ocean Digital Marketing Ecosystem Summit, the "Gold Award" at the 2024 Magnet Engine Original Advertisement Award, the "Industry Pioneer Award" at the Magnet Engine Brand Asset Management Case Competition, the "Excellent Pioneer Award" at the Magnetic Engine Vertical Channel Center, "Bilibili Key Commercialization Agency," the "Bronze Conversion Award" at the first Rednote Product Recommendations Award, the "Silver Award" in the Agency Group at the 17th ROI Golden Investment Award, the "Silver Award" at the 2024 Effie Performance Marketing Award, the "Excellent Drama Award" at the 2024 Migu Ecology Conference, and the "Baidu Excellent Short Drama Production Institution".

2024 BUSINESS REVIEW

In 2024, the Group continued to advance its three core strategies of "platformization," "diversification," and "internationalization," leveraging AI to enhance its overall operational efficiency, providing diversified and efficient solutions for clients, while exploring potential market opportunities to drive sustainable development.

Intelligent marketing solutions

Intelligent Marketing Solutions remains the Group's core business, accounting for 95.47% of the Group's total revenue for the year. As an one-stop intelligent marketing platform, the Group's services cover marketing strategy formulation, mass content creation, effective cross-platform distribution, and real-time data feedback. Against the backdrop of a rapidly evolving digital economy, these services can effectively help branded clients reach their target audience through short videos. During the Reporting Period, revenue from Intelligent Marketing Solutions increased by 4.96% year-on-year to approximately RMB3.007 billion. As of the end of the Reporting Period, the short videos delivered and distributed by the Group had generated over 1,353.4 billion impressions and over 476.9 billion video views, highlighting the Group's content creation and precise distribution capabilities.

During the Reporting Period, the Group continued to maintain close cooperation with high-quality clients while venturing into new media channels. Building on solid partnerships with leading platforms such as Douyin, Kuaishou, and Tencent, the Group also strengthened the cooperation with new media platforms such as Rednote and Bilibili during the Reporting Period, with outstanding results from the cooperation with Alipay and Youku, allowing the Group to become one of their first-tier agents. The Group also adjusted its client acquisition strategy in a timely manner, leveraging big data to gain insights and refocus on industries with high growth potential. Considering the above factors, the number of advertising clients served by the Group has increased to 1,408, a year-on-year increase of 29.29%. Among them, the number of new customers served has increased to 819, increased by 19.6% year-on-year. The top three industries served were online games, network services, and financial services, accounting for 29.5%, 28.3%, and 23.5% of segment revenue, respectively.

To further drive the implementation of its “platformization” strategy, the Group continued to enhance the technical capabilities of its cloud service platform during the year. Driven by artificial intelligence and the ability to generate automated multimodal content, such as automatic video scriptwriting, intelligent image generation, and AI-assisted video generation, the Group’s cloud service platform can greatly improve its mass content creation efficiency. During the Reporting Period, the peak monthly production capacity of the Group’s internal video production team exceeded 27,400 short videos, up 28.33% year-on-year, and the average monthly production capacity per full-time video production team member was 784, up 79.82% year-on-year. Meanwhile, leveraging the Group’s vast data pool across various marketing scenarios, the Group launched AI co-creation projects with leading media platforms, jointly contributing to and shaping the development of the AI marketing industry.

In addition, the cloud service platform is equipped to manage advertising accounts across different platforms in one place, enabling intelligent distribution and management that would greatly boost the Group’s distribution and operating efficiency. As of the end of the Reporting Period, the number of enterprise users of the Group’s self-developed cloud service platform increased to 7,231. With the help of the Group’s cloud service products and AIGC technology, there was a 20-fold increase in the production efficiency of image materials, as well as a 14-fold decrease in the corresponding cost. On top of that, the production efficiency of video materials has increased by about 8 times compared with the previous manual production process, and the corresponding cost has decreased by about 15 times. By leveraging the cloud service platform’s cross-platform intelligent management model, approximately 34,269 hours were saved throughout the year.

Leveraging its market-leading position and platform-based operation, the Group actively engaged and cooperated with multiple overseas brands. During the Reporting Period, the Group’s cross-border marketing business made significant progress, assisting nearly a hundred overseas branded clients in entering the Chinese market.

E-commerce solutions

By fully leveraging its rich media resources and marketing experience, the Group has extended its business coverage across the marketing value chain, expanding into e-commerce service solutions. With its comprehensive e-commerce full-chain solutions covering “people, goods, and fields”, the Group has effectively improved its operation capabilities, and has formed competitive advantages in multiple verticals. During the year, it served a total of 35 domestic and foreign brands from high-growth industries such as personal care, pet food, and healthcare products, providing a strong growth impetus to the business. Besides, the Group fully leveraged its extensive local market experience and advanced digital technology capabilities to provide customers with local lifestyle services. During the Reporting Period, the Group has empowered 25 chain restaurant brands, helping 135 physical restaurants achieve efficient digital operations. Considering its comprehensive e-commerce offerings and market intelligence, the Group is also exploring overseas opportunities by helping overseas-branded customers enter the Chinese market, reach its target customers, and build strong brand awareness.

During the Reporting Period, the segment achieved a total merchandise transaction volume ("**GMV**") of RMB551 million, with revenue increasing by 32.43% year-on-year to RMB70.81 million. As the Group further optimized its e-commerce sales strategy, and achieved a revenue mix enhancement with growing sales contributions from high-margin products, the Group recorded a gross profit of RMB44.13 million during the year, up 41.79% year-on-year, with gross profit margin increasing by 4.1 percentage points year-on-year to 62.3%. However, during the development of the 3C supply chain project, due to irregularities involving external partners, the Group encountered a significant business risk event, resulting in difficulties in recovering approximately RMB143 million in prepayments. In response, the Group has terminated this business and initiated the corresponding legal and asset-preservation procedures. Going forward, the Group will address its management shortcomings and focus on improving internal control segregation, strengthening inventory supervision and implementing new business training, so as to enhance its systemic risk resilience.

Innovative business

Leveraging its mass content-creation capabilities and established short-video distribution model, the Group strives to expand its business coverage and has subsequently tapped into micro drama as a new venture. By building a micro drama ecosystem that integrates IP creation, content production, video distribution, and platform operations, the Group's micro drama business saw steady development, achieving revenue of RMB71.76 million during the Reporting Period. Gross profit for the year was RMB29.67 million, with a gross profit margin of 41.4%.

With the help of its high-quality video creation capabilities, rich creative content reserves, as well as a comprehensive distribution network covering notable third-party platforms such as WeChat mini-programs, Douyin, and Kuaishou, the total number of high-quality micro dramas produced by the Group during the year reached 76, and the total number of high-quality micro dramas distributed reached 93. As of the end of the Reporting Period, the Group's self-operated micro drama mini-program platform has amassed 45.95 million users. To further expand into overseas markets, the Group launched its first overseas micro-drama APP during the Reporting Period in countries and regions such as Hong Kong, the United States, Singapore, Thailand, and Malaysia, striving to bring high-quality micro-drama to the global market.

BUSINESS OUTLOOK

Looking ahead, the Group will continue to focus on its three core strategic directions of "platformization," "diversification," and "internationalization." Through resource integration and technological innovation, the Group will strengthen its industry-leading position while expanding its presence in the global marketing and e-commerce industries, and seek new opportunities from new business models to drive growth.

Regarding "platformization", the Group will continue to invest in technological innovation, upgrading its self-developed integrated cloud service ecosystem in order to fully empower operations with the latest AI technologies. Potential new applications including AIGC-generated content, AI marketing strategy formulation, and others, are expected to significantly enhance the Group's operation efficiency, giving the Group higher efficiency to capture a bigger market share.

The Group will also continue to expand into new businesses, achieving a "diversified" business mix with new growth drivers. For example, the Group's E-commerce Service Solutions business will focus on the customized needs of branded customers and carefully explore other high-growth product categories, such as personal care products. The Group's Innovative Business will also continue to focus on micro drama, creating high-quality content that meets the public's aesthetic needs, and actively expanding its content distribution channels and collaboration methods to further diversify revenue streams.

In terms of "internationalization", the Group will continue to advance both its inbound and outbound strategies. Specifically, drawing on the Group's extensive experience, it is committed to providing comprehensive services for overseas brands entering the Chinese market, helping them gain access to mainstream media platforms and quickly expand their presence in China. At the same time, the Group is actively exploring overseas opportunities, having recently established partnerships with leading overseas media platforms, laying the groundwork to assist domestic brands with marketing, promotion, and e-commerce operations on overseas platforms. As for its E-commerce Service Solutions business, the Group will also implement region-specific strategies tailored to the industrial and cultural characteristics of different regions, encouraging domestic brands to tap into overseas markets. Leveraging the initial success of its overseas micro drama APP, the Group will also actively expand its overseas distribution channels, enhance its content influence, and achieve economies of scale.

FINANCIAL REVIEW

Revenue

We generate our revenue primarily from the provision of (i) our intelligent marketing solutions to advertisers directly or through advertising agencies; (ii) e-commerce service solutions; and (iii) innovative business. Our total revenue increased by 4.64% from RMB3,009.89 million in 2023 to RMB3,149.63 million in 2024, mainly due to the Group's continuous strategic adjustment, (i) while firmly cooperating with existing media channels, expanding new media channels for in-depth cooperation, thus consolidating its revenue; and (ii) actively developing diversified businesses, and the development of e-commerce service solutions and short play business has achieved initial success, forming a certain income increment.

Revenue by Business Segments

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

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Intelligent marketing solutions[(1)]	**3,007,060**	**95.5**	2,864,951	95.2
E-commerce service solutions	**70,805**	**2.2**	53,465	1.8
Innovative business[(2)]	**71,760**	**2.3**	91,475	3.0
Total	**3,149,625**	**100.0**	3,009,891	100.0

Notes:

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

(2) Innovative business mainly includes short play business.

We enter into annual framework agreements with our advertising customers and charge them for intelligent marketing solutions based primarily on a mix of oCPM, oCPC and CPC. During the Reporting Period, while cooperating with existing media channels, we actively expanded new media channels for in-depth cooperation, which enabled our intelligent marketing solutions business to develop steadily during the Reporting Period. For the year ended December 31, 2024, the revenue generated by the intelligent marketing solution business accounted for 95.5% of our total revenue.

Revenue from intelligent marketing solutions business by type of advertising customers

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

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

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Advertisers	**2,714,217**	**90.3**	2,529,183	88.3
Advertising agencies	**292,843**	**9.7**	335,768	11.7
Total	**3,007,060**	**100.0**	2,864,951	100.0

Revenue from intelligent marketing solutions business by industry verticals

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

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

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Online games	**886,787**	**29.5**	640,781	22.4
Financial services(1)	**707,705**	**23.5**	908,769	31.7
E-commerce	**104,164**	**3.5**	64,156	2.2
Internet services	**851,339**	**28.3**	678,818	23.7
Advertising	**246,567**	**8.2**	216,984	7.6
Culture & media	**207,525**	**6.9**	322,940	11.3
Others(2)	**2,973**	**0.1**	32,503	1.1
Total	**3,007,060**	**100.0**	2,864,951	100.0

Notes:

(1) Financial services primarily include online insurance, consumer financing and retail banking.

(2) Others mainly include business services and healthcare.

For the year ended December 31, 2024, online games industry was our largest group of advertising customers. Our revenue generated from online games industry accounted for 22.4% and 29.5% of our total revenue derived from intelligent marketing solutions business for the year ended December 31, 2023 and 2024, respectively.

For the year ended December 31, 2024, we further explored other industry verticals, such as Internet services. Our revenue generated from Internet services, as a percentage of our total revenue generated from intelligent marketing solutions business, increased from 23.7% in 2023 to 28.3% in 2024.

Key Financial Ratios

	Year ended December 31,	
	2024	2023
Gross profit margin (%)[(1)]	**3.88**	8.33
Net profit margin (%)[(2)]	**(14.67)**	0.25
Current ratio (times)[(3)]	**1.55**	1.92
Adjusted net profit margin (%)[(4)]	**(14.12)**	0.83
Debt-to-asset ratio (times)[(5)]	**0.61**	0.48

Notes:

(1) Gross profit margin is calculated based on gross profit for the year divided by revenue for the respective year and multiplied by 100%.

(2) Net profit margin is calculated based on (loss)/profit for the year divided by revenue for the respective year and multiplied by 100%.

(3) Current ratio is calculated based on total current assets divided by total current liabilities.

(4) Equals to adjusted net (loss)/profit divided by revenue for the year and multiplied by 100%. For the reconciliation from net (loss)/profit to adjusted net profit, see "Non-IFRS Measure: Adjusted Net (Loss)/Profit" below.

(5) Debt-to-asset ratio is calculated based on total liabilities divided by total assets.

Cost of Sales

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

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Traffic acquisition costs	**2,853,090**	**94.2**	2,606,899	94.5
Employee benefit expenses	**41,689**	**1.4**	47,939	1.7
Others[1]	**132,571**	**4.4**	104,302	3.8
Total	**3,027,350**	**100.0**	2,759,140	100.0

Note:

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

Our cost of sales primarily consists of traffic acquisition costs, employee benefit expenses and others. In 2024, traffic acquisition costs constituted the largest portion of our cost of sales. For the years ended December 31, 2023 and December 31, 2024, our traffic acquisition costs amounted to RMB2,606.9 million and RMB2,853.1 million respectively, accounting for approximately 94.5% and 94.2% respectively, of our total cost of sales for the respective years, which was in line with our business change. For the years ended December 31, 2023 and December 31, 2024, the Group continuously optimized its organizational structure, which led to a reduction in employee benefit expenses from RMB47.9 million to RMB41.7 million, accounting for approximately 1.7% and 1.4% of cost of sales for the respective years. For the years ended December 31, 2023 and December 31, 2024, our other costs amounted to RMB104.3 million and RMB132.6 million, respectively, accounting for approximately 3.8% and 4.4%, respectively, of our total cost of sales for the respective years, the increase of which was attributable to the optimization of quality in short play business and the expansion of e-commerce service solutions business scale.

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

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Intelligent marketing solutions[(1)]	**2,958,588**	**97.7**	2,701,506	97.9
E-commerce service solutions	**26,673**	**0.9**	22,340	0.8
Innovative business[(2)]	**42,089**	**1.4**	35,294	1.3
Total	**3,027,350**	**100.0**	2,759,140	100.0

Notes:

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

(2) Innovative business mainly includes short play business.

Gross Profit and Gross Profit Margin

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

	Year ended December 31,			
	2024		2023	
	Gross Profit ***(RMB'000)***	**Gross Profit Margin** ***%***	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
Intelligent marketing solutions[(1)]	**48,472**	**1.6**	163,445	5.7
E-commerce service solutions	**44,132**	**62.3**	31,125	58.2
Innovative business[(2)]	**29,671**	**41.3**	56,181	61.4
Total	**122,275**	**3.9**	250,751	8.3

Notes:

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

(2) Innovative business mainly includes short play business.

The Group recorded gross profit of RMB122.28 million in 2024, representing a decrease of 51.2% as compared to the gross profit of RMB250.75 million in 2023. Gross profit margin decreased from 8.3% in 2023 to 3.9% in 2024, mainly because the growth rate of Internet users has gradually slowed down, the market has entered the stage of stock competition, and the traffic cost corresponding to income growth has continued to rise; meanwhile, in order to cope with market competition, the cost of obtaining customers has increased, thus compressing the gross profit space.

Other Income and Gains

Our other income and gains decreased from RMB38.16 million for the year ended December 31, 2023 to RMB20.79 million for the year ended December 31, 2024, mainly due to the fact that in 2024, the industries where the Group is located no longer enjoy VAT deduction policy, resulting in a significant decrease in the amount of government subsidies compared with 2023.

Research and Development Expenses

Our research and development expenses primarily comprise (i) employee benefit expenses; (ii) outsourcing development expenses; and (iii) others, mainly consisting of server rental expenses. Our research and development expenses decreased by 29.2% from RMB21.90 million for the year ended December 31, 2023 to RMB15.51 million for the year ended December 31, 2024, which was mainly attributable to adjustments in the research and development system.

Selling and Distribution Expenses

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

Our selling and distribution expenses increased from RMB91.32 million for the year ended December 31, 2023 to RMB104.35 million for the year ended December 31, 2024, which was mainly attributable to our efforts to expand the diversified business market, and the increase in advertising expenses due to the expansion of e-commerce service solutions business.

General and Administrative Expenses

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

Thanks to continuous organizational optimization, our administrative expenses gradually decreased by 3.66% from RMB96.12 million for the year ended December 31, 2023 to RMB92.60 million for the year ended December 31, 2024.

Other Expenses

Our other expenses increased from RMB6.04 million for the year ended December 31, 2023 to RMB60.43 million for the year ended December 31, 2024, mainly due to the fair value loss of financial investment and financial derivatives tools.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net represent provisions of impairment of trade receivables, prepayments and other receivables, and debt instruments, net of reversal. We recorded impairment losses on financial assets, net of RMB308.88 million in 2024, which was mainly attributable to the impairment provisions of approximately RMB143 million accrued for the other receivables related to 3C supplier chain project and approximately RMB110 million accrued for trade receivables.

Finance Costs

Our finance costs decreased from RMB22.17 million for the year ended December 31, 2023 to RMB22.00 million for the year ended December 31, 2024. The decrease in finance costs was mainly due to the decrease in the interest rate of bank loans, which led to a decrease of RMB1.79 million in the corresponding interest expenses of bank loans.

Income Tax Expenses

For the year ended December 31, 2024, the Group recorded an income tax credit of RMB3.04 million, compared with an income tax expense of RMB1.92 million for the year ended December 31, 2023. This change was primarily attributable to the pre-tax loss of RMB465.14 million recorded during the year, which resulted in a significant decrease in income tax expenses compared to the previous year.

(Loss)/Profit for the Year

As a result of the above, our loss for the year was about RMB462.09 million, while our profit for the year ended December 31, 2023 was RMB7.49 million, representing a year-on-year decrease of 6,269.43%.

Non-IFRS Measure: Adjusted Net (Loss)/Profit

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

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

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

	Year ended December 31,	
	2024	2023
	(RMB in millions)	
Net (loss)/profit for the year	**(462.09)**	7.49
Add:		
Share-based compensation	**23.61**	13.50
Foreign exchange differences	**(3.06)**	2.05
Income tax (credit)/expense	**(3.04)**	1.92
Adjusted net (loss)/profit[(1)]	**(444.58)**	24.96

Note:

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

Liquidity and Financial Resources

Our business operations and expansion plans require a significant amount of capital, including acquiring user traffic from online publishers, enhancing our content production capabilities, improving our big data analytics and AI capabilities, upgrading our proprietary DMP and other infrastructures as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, and capital contributions from shareholders of the Company (the "**Shareholders**"). Our cash and bank balances increased from RMB363.61 million as at December 31, 2023 to RMB595.18 million as at December 31, 2024, mainly attributable to the expansion of business scale, the increased volume of working capital, and the increased bank loans due to the good credit of the Company.

The table below sets out our cash and bank balance (including restricted cash) by currency as at December 31, 2023 and as at December 31, 2024, respectively:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Denominated in RMB	**579,163**	363,417
Denominated in HKD	**4,545**	56
Denominated in USD	**11,467**	132
	595,175	363,605

As at December 31, 2024, our bank loans amounted to approximately RMB603.15 million (as at December 31, 2023: approximately RMB414.94 million), which are denominated in RMB. The interest rates on our bank loans ranged from 1.20% to 4.00% (for the year ended December 31, 2023: 2.30% to 4.30%) per annum and the terms of the loans ranged from six months to one year. We will repay the aforementioned borrowings in due course on maturity.

Capital Expenditures

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

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

	Year ended December 31,	
	2024	2023
	(RMB in millions)	
Property, plant and equipment	**0.21**	21.52
Intangible assets	**–**	9.50
Total	**0.21**	31.02

We incurred capital expenditures of approximately RMB0.21 million for the year ended December 31, 2024, primarily related to fixed assets arising from the purchase of office equipment. We intend to fund our planned capital expenditures through cash generated from operations.

Pledge of Assets

As at December 31, 2024, the Group had no inventory pledged (2023: inventory of RMB5.39 million was pledged) to guarantee other loans granted to the Group. The trade receivables of some customers of the Group have been pledged to guarantee the trade payables of approximately RMB150.00 million granted to the Group (2023: approximately RMB150.00 million). As at December 31, 2024, the Group's bank loans were guaranteed by the Company and its subsidiaries.

Foreign Exchange Risk Management

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

Contingent Liabilities

As at December 31, 2024 and 2023, the Group did not have any material contingent liabilities.

Employees

As at December 31, 2024, we had 316 full-time employees, including 269 in Shanghai, 18 in Xi'an, 17 in Beijing, 8 in Xinjiang, 2 in Jingxian, 1 in Guangzhou and 1 in Ningbo. As at December 31, 2024, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

Our employees typically enter into standard employment contracts with us. We place high value on recruiting, training and retaining our employees. We maintain high recruitment standards and provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary and bonus. We also provide both internal and external trainings for our employees to improve their skills and knowledge. For the year ended December 31, 2024, total staff remuneration expenses including Directors' remuneration amounted to RMB143.46 million.

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

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. The Company has adopted a post-IPO share option scheme, a restricted share unit scheme (the "**Restricted Share Unit Scheme**"), an amended post-IPO share option scheme and share award scheme. As at December 31, 2024, the Trustee of Restricted Share Unit Scheme had purchased a total of 33,302,544 shares in the market under the Restricted Share Unit Scheme adopted by the Company on October 18, 2021, representing approximately 4.1855% of the total number of shares in issue as at the date of this announcement (i.e. 795,658,000 shares).

RETIREMENT AND EMPLOYEE BENEFITS SCHEMES

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	3	**3,149,625**	3,009,891
Cost of sales		**(3,027,350)**	(2,759,140)
Gross profit		**122,275**	250,751
Other income and gains	3	**20,789**	38,163
Selling and distribution expenses		**(104,348)**	(91,324)
Administrative expenses		**(92,598)**	(96,117)
Impairment losses on financial assets, net		**(308,878)**	(41,986)
Provisions of impairment of Investments in associates		**(2,531)**	–
Research and development expenses		**(15,514)**	(21,901)
Other expenses	3	**(60,425)**	(6,037)
Finance costs		**(22,003)**	(22,172)
Share of profits and losses of associates		**(1,903)**	28
(LOSS)/PROFIT BEFORE TAX		**(465,136)**	9,405
Income tax expense	4	**3,042**	(1,920)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(462,094)**	7,485
Attributable to:			
Owners of the parent		**(459,701)**	8,796
Non-controlling interests		**(2,393)**	(1,311)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	6		
Basic			
– For (loss)/profit for the year		**RMB(60.2) cents**	RMB1.1 cents
Diluted			
– For (loss)/profit for the year		**RMB(60.2) cents**	RMB1.1 cents

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,905**	5,068
Right-of-use assets		**2,824**	3,883
Intangible assets		**15,630**	25,059
Trade receivables		**–**	11,246
Prepayments and other assets		**3,458**	18,051
Deferred tax assets		**71,018**	64,012
Investments in associates		**29,988**	34,422
Financial assets at fair value through profit or loss		**21,782**	56,596
Debt investments at amortised cost		**3,265**	19,326
Total non-current assets		**150,870**	237,663
CURRENT ASSETS			
Inventories		**3,380**	9,169
Trade and notes receivables	*7*	**1,278,139**	1,539,560
Prepayments, other receivables and other assets		**337,903**	450,187
Financial assets at fair value through profit or loss		**7,508**	17,634
Debt investments at amortised cost		**21,342**	28,632
Restricted cash		**166,705**	2,699
Cash and cash equivalents		**428,470**	360,906
Total current assets		**2,243,447**	2,408,787
CURRENT LIABILITIES			
Trade payables	*8*	**528,799**	622,429
Other payables and accruals		**196,497**	139,937
Interest-bearing bank borrowings		**603,148**	414,937
Lease liabilities		**1,740**	3,486
Contract liabilities		**99,528**	50,360
Tax payable		**11,362**	19,883
Other liabilities		**5,677**	1,098
Total current liabilities		**1,446,751**	1,252,130
NET CURRENT ASSETS		**796,696**	1,156,657
TOTAL ASSETS LESS CURRENT LIABILITIES		**947,566**	1,394,320

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**983**	35
Deferred tax liabilities	**33**	707
Deferred income	**1,115**	537
Other liabilities	**–**	7,865
Total non-current liabilities	**2,131**	9,144
Net assets	**945,435**	1,385,176
EQUITY		
Equity attributable to owners of the parent		
Share capital	**148**	148
Treasury shares	**(47,798)**	(46,638)
Reserves	**996,665**	1,432,994
Total equity attributable to owners of the parent	**949,015**	1,386,504
Non-controlling interests	**(3,580)**	(1,328)
Total equity	**945,435**	1,385,176

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Attributable to owners of the parent									
	Share capital *RMB'000*	**Treasury shares** *RMB'000*	**Share option reserve*** *RMB'000*	**Capital reserve*** *RMB'000*	**Statutory surplus reserve*** *RMB'000*	**Fair value reserve of financial assets at fair value through other comprehensive income*** *RMB'000*	**Retained profits*** *RMB'000*	**Total** *RMB'000*	**Non-controlling interest** *RMB'000*	**Total equity** *RMB'000*
At January 1, 2024	**148**	**(46,638)**	**29,299**	**1,229,392**	**46,459**	**(400)**	**128,244**	**1,386,504**	**(1,328)**	**1,385,176**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(459,701)**	**(459,701)**	**(2,393)**	**(462,094)**
Shares repurchased	**–**	**(1,399)**	**–**	**–**	**–**	**–**	**–**	**(1,399)**	**–**	**(1,399)**
Acquisition of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(70)**	**(70)**
Exercise of RSUs	**–**	**239**	**(475)**	**236**	**–**	**–**	**–**	**–**	**–**	**–**
Equity-settled share-based arrangements	**–**	**–**	**23,611**	**–**	**–**	**–**	**–**	**23,611**	**–**	**23,611**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**211**	**211**
At December 31, 2024	**148**	**(47,798)**	**52,435**	**1,229,628**	**46,459**	**(400)**	**(331,457)**	**949,015**	**(3,580)**	**945,435**

For the year ended December 31, 2023

	Attributable to owners of the parent									
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share option reserve* *RMB'000*	Capital reserve* *RMB'000*	Statutory surplus reserve* *RMB'000*	Fair value reserve of financial assets at fair value through other comprehensive income* *RMB'000*	Retained profits* *RMB'000*	Total *RMB'000*	Non-controlling interest *RMB'000*	Total equity *RMB'000*
At January 1, 2023	148	(40,526)	16,273	1,229,544	46,459	(400)	119,448	1,370,946	(17)	1,370,929
Profit/(Loss) for the year	–	–	–	–	–	–	8,796	8,796	(1,311)	7,485
Shares repurchased	–	(6,733)	–	–	–	–	–	(6,733)	–	(6,733)
Exercise of RSUs	–	621	(469)	(152)	–	–	–	–	–	–
Equity-settled share-based arrangements	–	–	13,495	–	–	–	–	13,495	–	13,495
At December 31, 2023	148	(46,638)	29,299	1,229,392	46,459	(400)	128,244	1,386,504	(1,328)	1,385,176

* These reserve accounts comprise the consolidated reserves of RMB996,665,000 (2023: RMB1,432,994,000) in the consolidated statement of financial position.

NOTES TO CONSOLIDATED FINANCIAL INFORMATION

For the year ended December 31, 2024

1. CORPORATE AND GROUP INFORMATION

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

The Company and its subsidiaries (collectively referred to as the "**Group**") were principally involved in the provision of intelligent marketing solutions in the People's Republic of China (the "**PRC**").

Information about subsidiaries

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Netjoy International Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Netjoy International (Hong Kong) Limited	Hong Kong, China	HK$1	–	100	Technical and consultation services
Netjoy E-Commerce Limited	Hong Kong, China	HK$10,000	–	100	Trading and e-commerce
NETJOY ASIA PTE. LTD.	Singapore	SG$1,000,000	–	100	Marketing services
Yunxiang Shuke (Shanghai) Information Technology Co., Ltd. ("**Yunxiang Information**") (云想數科(上海)信息技術有限公司) *(note (a))*	PRC/Chinese Mainland	RMB50,000,000	–	100	Technical and consultation services
Letui (Shanghai) Culture Broadcast Co., Ltd. ("**Letui Culture**") (樂推(上海)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB10,000,000	–	100	Marketing services

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Horgos Quantum Dynamic Culture Media Co., Ltd. ("**Quantum Culture Media**") (霍爾果斯量子動態文化傳媒有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services
Horgos Quantum Data Service Co., Ltd. ("**Quantum Data**") (霍爾果斯量子數據服務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services
Yunxiang Entertainment (Shanghai) Co., Ltd. ("**Yunxiang Entertainment**") (云想娛樂(上海)有限公司) *(note (b))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Technical and consultation services
Guangzhou Guomeng Network Technology Co., Ltd. ("**Guomeng Internet**") (廣州果盟網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Technical and consultation services
Qizheng (Shanghai) Culture Communication Co., Ltd. ("**Qizheng Culture**") (啟征(上海)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Technical and consultation services
Letui Chuanshi (Shanghai) Information Technology Co., Ltd. ("**Letui Information**") (樂推傳視(上海)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Technical and Consultation services
Shanghai Yunxiang E-commerce Co., Ltd. ("**Yunxiang E-commerce**") (上海云想電子商務有限公司) *(note (b), note (c))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Marketing services
MIX Technology Co., Ltd. ("**Heguang Technology**") (合光(寧波)科技有限公司) *(note (a))*	PRC/Chinese Mainland	US$10,000,000	–	100	Marketing services

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Horgos Large Amount Information Technology Co., Ltd. ("**Large Amount Information Technology**") (霍爾果斯爆量信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services
Yunwei Chuangshi (Shanghai) Information Technology Co., Ltd. ("**Yunwei Chuangshi**") (云未創視(上海)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,250,000	–	60	Software-as-a-service ("**SaaS**")
Hainan Yunjing Xingzhan Private Equity Fund Management Co., Ltd. ("**Yunjing Xingzhan**") (海南云景星展私募基金管理有限公司) *(note (b))*	PRC/Chinese Mainland	RMB10,000,000	–	100	Private fund management
Letui Chuanpin (Jing County) E-commerce Co., Ltd. ("**Letui Chuanpin**") (樂推傳品(涇縣)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Letui Zhixiao (Lishui) Culture Communication Co., Ltd. ("**Zhixiao Lishui**") (樂推智效(麗水)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services
Shanghai Leman Yunxiang E-commerce Co., Ltd. ("**Leman Yunxiang**") (上海樂曼云享電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Shangxiang Leyun (Shanghai) E-commerce Co., Ltd. ("**Shangxiang Leyun**") (尚想樂云(上海)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Shangxiang Lehai (Shanghai) E-commerce Co., Ltd. ("**Shangxiang Lehai**") (尚想樂海(上海)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Hepinsheng (Shanghai) Enterprise Management Co., Ltd. ("**Hepinsheng**") (合品盛(上海)企業管理有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Consulting
Shanghai Lebao Yunxiang Business Consulting Co., Ltd. ("**Lebao Yunxiang**") (上海樂保云享商務諮詢有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Consulting
Yunxiang Shuke (Xi'an) Information Technology Co., Ltd. ("**Yunxiang Shuke Xi'an**") (云想數科(西安)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	US$10,000,000	–	100	Consulting
Shanghai Tetui Cultural Media Co., Ltd. ("**Tetui Cultural**") (上海特推文化傳媒有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,040,816	–	51	Advertisement related activity
Shanghai Chuangjie Network Technology Co., Ltd. ("**Chuangjie Network**") (上海創節網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,176,471	–	76.5	Marketing services

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

Notes:

(a) These entities are registered as entities are wholly-foreign-owned enterprise under PRC law.

(b) The entities are registered as limited liability companies under PRC law.

(c) On January 30, 2024, the name of the entity was changed from Letui Zhixiao (Shanghai) Culture Communication Co., Ltd. to Shanghai Yunxiang E-commerce Co., Ltd.

During the year, the Group acquired Shanghai Tetui Cultural Media Co., Ltd Limited from a fellow subsidiary of the Company.

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

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

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

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

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

2. SUMMARY OF MAJOR ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended December 31, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IFRS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after January 1, 2026
2 Effective for annual/reporting periods beginning on or after January 1, 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards or IFRS Accounting Standards. (See commentary on page (50)) IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency (see commentary on page (49)) require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**3,149,625**	3,009,891

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of services		
Intelligent marketing solutions services		
– All-in-one services	**2,920,153**	2,802,115
– Advertisement distribution services	**86,907**	62,836
E-commerce service solutions	**70,805**	53,465
Innovative business	**71,760**	91,475
Total revenue from contracts with customers	**3,149,625**	3,009,891
Timing of revenue recognition		
Services transferred at a point in time	**3,131,534**	2,969,622
Services transferred over time	**18,091**	40,269
Total revenue from contracts with customers	**3,149,625**	3,009,891

(ii) Performance obligations

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

Intelligent marketing solutions services

The performance obligation is satisfied on a user's optimised click (oCPC) on one of the customer-sponsored links or on the optimised the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM). The payment is generally due within 180 days from the date of billing.

E-commerce service solutions

Live streaming business performance obligation is satisfied at the point in time when the live broadcast duration and sale transaction of goods is completed. The payment is generally due within 75 days from the date of billing.

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

Innovative business

Short-term advances are normally required before rendering the short play business.

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

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the Reporting Period:	**50,360**	36,535

There is no revenue recognised in the current Reporting Period from performance obligations satisfied in previous periods for the years ended December 31, 2024 and 2023, respectively.

The transaction prices allocated to the remaining performance obligations unsatisfied as at December 31, 2024 are RMB99,528,000 (December 31, 2023: RMB50,360,000).

All the remaining performance obligations unsatisfied as at December 31, 2024 are expected to be recognised within one year as the performance obligations are part of the contracts that have an original expected duration of one year or less.

An analysis of other income and gains and other expenses are as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**1,167**	2,433
Net investment income from debt instruments	**9,908**	4,354
Government grants*	**4,990**	30,917
Foreign exchange gain, net	**3,060**	–
Others	**1,664**	459
Total other income and gains	**20,789**	38,163
Other expenses		
Foreign exchange loss, net	**–**	2,054
Fair value loss on financial assets at fair value through profit or loss	**30,950**	3,862
Fair value losses on other liabilities, net	**4,455**	–
Loss on disposal of financial instruments	**4,767**	–
Others	**20,253**	121
Total other expenses	**60,425**	6,037

* Government grants have been received for value added tax additional deduction. There are no unfulfilled conditions or contingencies relating to these grants.

4. INCOME TAX

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

Cayman Islands

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

British Virgin Islands

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

Hong Kong

Hong Kong profits tax was provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits of the Group's companies operating in Hong Kong during the year.

Chinese Mainland

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the respective regulations, the subsidiaries which operate in Chinese Mainland are subject to Enterprise Income Tax ("**EIT**") at a rate of 25% on the taxable income. Preferential tax treatment is available to Netjoy Network, since it is certified as High and New Technology Enterprises, and Netjoy Network is subject to a preferential income tax rate of 15% from 2024 to 2026.

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

According to the Implementation Opinions on Accelerating the Construction of Kashgar and Horgos Economic Development Zones (關於加快喀什、霍爾果斯經濟開發區建設的實施意見), from January 1, 2010 to December 31, 2020, enterprises newly established in the development zone that fall within the scope of the Catalogue of Enterprise Income Tax Preferences for Industries Encouraged to Develop in Difficult Areas of Xinjiang (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) will be exempted from enterprise income tax for five years from the tax year in which the first production and operation income is obtained. After the tax exemption period expires, the local share of EIT will be exempted for another five years, and the subsidy will be granted by the Finance Bureau of the Development Zone in the form of rewards. Quantum Data was in an accumulated tax loss position as at December 31, 2024 and the tax holiday has not yet begun.

Pursuant to the Notice on Enterprise Income Tax Policies for the Integrated Circuit Design and Software Industries (關於集成電路設計和軟件產業企業所得稅政策的公告) issued by the Ministry of Finance of the PRC and the State Administration of Taxation of the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Tradeplus, is entitled to an exemption from CIT for two years, commencing from the first year that Tradeplus generates taxable profit, and a deduction of 50% on the CIT rate for the following three years. Tradeplus was in accumulated tax loss positions as at December 31, 2024 and the tax holiday has not yet begun.

	2024	2023
	RMB'000	*RMB'000*
Current income tax:		
Chinese Mainland	**4,638**	15,480
Hong Kong	**–**	68
Deferred tax	**(7,680)**	(13,628)
	(3,042)	1,920

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

	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
(Loss)/profit before tax	**(465,136)**		9,405	
Tax at the statutory tax rate	**(116,284)**	**25**	2,351	25
Effect of different tax rates for specific provinces and countries or enacted by local authority	**10,992**	**(2)**	(6,889)	(73)
Profit attributable to associates	**(698)**	**–**	(7)	-
Additional deduction on research and development expenses	**(4,602)**	**1**	(7,507)	(80)
Tax losses and temporary differences not recognised	**91,850**	**(20)**	10,728	114
Expenses not deductible for tax	**15,700**	**(3)**	3,244	34
Tax expense at the effective rate	**(3,042)**	**1**	1,920	20

5. DIVIDENDS

The Board did not recommend the payment of any dividend for the year ended December 31, 2024 (2023: Nil).

6. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 764,181,379 (2023: 772,585,362) outstanding during the year.

The calculation of the diluted (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at the exercise price on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic earnings per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent	**(459,701)**	8,796

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**764,181,379**	772,585,362
Effect of dilution – weighted average number of ordinary shares:		
Restricted share units	**–**	1,789,500
Total	**764,181,379**	774,374,862

Because the diluted loss per share amount is increased when taking share options into account, RSU and share options had anti-dilutive effect on 2024 diluted loss per share. Therefore, the diluted earnings per share amounts are based on the loss for the year of RMB459,701,000 and the weighted average number of ordinary shares of 764,181,379 outstanding during the year.

7. TRADE AND NOTES RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Included in non-current assets:		
Trade receivables	**–**	19,982
Impairment	**–**	(8,736)
	–	11,246
Included in current assets:		
Trade receivables	**1,629,215**	1,771,602
Notes receivable	**6,769**	6,900
Impairment	**(357,845)**	(238,942)
	1,278,139	1,539,560
Total	**1,278,139**	1,550,806

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk, except RMB 399,201,000 (2023: RMB397,335,000) derived from one (2023: one) major customer. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2024 *RMB'000*	2023 *RMB'000*
Less than 1 year	**1.244,364**	1,507,006
1 to 2 years	**17,335**	36,900
2 to 3 years	**9,671**	–
Total	**1,271,370**	1,543,906

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**247,678**	207,573
Impairment losses, net	**110,167**	40,105
At end of year	**357,845**	247,678

An impairment analysis is performed at each reporting date. For those trade receivables which do not share similar characteristic, the provision are assessed individually based on customers' credit and estimated future cash flow. For trade receivables that have similar characteristic, the provision rates are based on ageing analysis. The ageing of trade receivables is calculated based on the date of revenue recognition. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at December 31, 2024, the accumulated individual impairment was RMB291,107,000 (2023 RMB171,598,000), with carrying amounts before impairment of RMB315,148,000 (2023: RMB171,598,000), respectively. The increasing amounts is mainly due to the impairment of trade receivables due from one of the associates that has turn to significant operation and financial difficulty since 2024.

Set out below is the information about the ageing of the trade receivables as at the end of the reporting period, based on the past due date and credit risk exposure on the Group's trade receivables using a provision matrix:

As at December 31, 2024

	Expected credit loss rates	**Gross carrying amounts**	**Impairment**
		RMB'000	***RMB'000***
Less than 1 year	**1.30%**	**1,256,836**	**16,315**
1 to 2 years	**68.03%**	**21,293**	**14,485**
Over 2 years	**100%**	**35,938**	**35,938**
Total	**5.08%**	**1,314,067**	**66,738**

As at December 31, 2023

	Expected credit loss rates	Gross carrying amounts	Impairment
		RMB'000	*RMB'000*
Less than 1 year	1.24%	1,525,985	18,979
1 to 2 years	51.93%	76,770	39,870
Over 2 years	100%	17,231	17,231
Total	4.70%	1,619,986	76,080

As at December 31, 2024, trade receivables from certain customers were pledged to secure trade payables amounting to RMB150,000,000 (2023: RMB150,000,000) granted to the Group.

Transferred financial assets that are not derecognised in their entirety

At December 31, 2024, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "**Endorsed Bills**") with a carrying amount of RMB6,769,000 (2023: RMB6,900,000) to certain banks. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

At December 31, 2024, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "**Derecognised Bills**") with a carrying amount in aggregate of RMB15,802,000. The Derecognised Bills had a maturity of five to six months at the end of the Reporting Period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

8. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**475,000**	583,747
91 to 365 days	**39,702**	28,670
Over 1 year	**14,097**	10,012
Total	**528,799**	622,429

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

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

On May 31, 2024, the Group acquired a 51% equity interest in Shanghai Tetui Cultural Media Co., Ltd. ("**Tetui Cultural**") and its fellow subsidiary Shanghai Chuangjie Network Technology Co., Ltd. ("**Chuangjie Network**") with Tetui Cultural accounting for 76.5% of equity attributable. The acquisition was part of the Group's strategy to expand its market share in intelligent marketing solutions services. The purchase consideration for the acquisition was in the form of cash via capital injection, amounting to RMB1,040,816, and was injected into Tetui Cultural to acquire the equity interest on the acquisition date.

Save as disclosed above, during the Reporting Period, the Group did not acquire or sell subsidiaries, associates and joint ventures. As of December 31, 2024, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

As at the date of this announcement, the Group did not have any other future plans for material investment and capital assets.

FINAL DIVIDEND

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

SUBSEQUENT EVENTS

(1) Suspension of trading on the Stock Exchange

Trading in the Company's shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, April 1, 2025, and will remain suspended until the Company meets all resumption guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

(2) Resumption guidance

As stated in the Company's announcement dated July 8, 2025, the Stock Exchange has formulated the following guidelines for the resumption of trading in the Company's Shares: (i) conduct an appropriate independent forensic investigation into the Prepayments and the related transactions, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions; (ii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence; (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules; (iv) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (v) demonstrate the Company's compliance with Rule 13.24; and (vi) inform the market of all material information for the Company's Shareholders and other investors to appraise its position. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on September 30, 2026. If the Company fails to remedy the issues causing its trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by September 30, 2026, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

(3) Progress in fulfilling resumption guidance

For details of the progress of the Company in reaching the guidelines for resumption of trading, please refer to the announcements issued by the Company on July 15, 2025, July 21, 2025, September 30, 2025, December 29, 2025, and March 30, 2026. The Company will continue to include relevant progress in quarterly updates and announcements in due course.

On April 14, 2025, the Company hired one of the big four accounting firms as the forensic consultant to conduct an independent investigation of internal facts on the prepayment (the "**Independent Investigation**"). Please refer to the announcement of our company dated April 2, 2026 for details of the Independent Investigation results.

On the other hand, the Company engaged an internal control consultant to conduct an independent review of the Group's internal control procedures (the "**Internal Control Review**"), and to provide suggestions on remedial measures taken by the Company and conduct follow-up review (the "**Follow-up Review**"). For details of the Internal Control Review results, please refer to the announcement of the Company dated June 22, 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended December 31, 2024 , none of the Company or any of its subsidiaries or its consolidated affiliated entities had purchased, sold or redeemed any of the listed securities of the Company (including treasury shares), except that the trustee of the RSU scheme purchased a total of 33,302,544 shares of our Company from an independent third party. As of December 31, 2024, the Company did not hold any treasury shares.

MODEL CODE FOR SECURITIES TRANSACTION

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

CORPORATE GOVERNANCE CODE

The Company has adopted the principles and all applicable code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its corporate governance practices.

Saved as for the deviations from the code provisions disclosed below, the Company has complied with all applicable code provisions of the Corporate Governance Code during the Reporting Period.

(i) Code Provision B2.2 stipulates that every director (including those with a specified term of office) should be subject to retirement by rotation at least once every three years. The Company was unable to complete the retirement by rotation arrangement of the directors in accordance with the Company's articles of association and the applicable code provisions as a result of the failure to convene the annual general meeting (the "**AGM**") during the Reporting Period. The Company will arrange the retirement by rotation process of the directors as soon as possible after the resumption of the convening of the AGM to comply with the relevant code requirements.

(ii) Code Provision D.1 requires an issuer to publish financial results and reports in a timely manner. Due to the delay in the Company's audit and certain internal review procedures during the year, the following items have been delayed: the announcements of the annual results for 2024, the interim results for 2025, the annual results for 2025, and the annual report for 2024, the interim report for 2025 and the annual report for 2025. The Company has taken measures to strengthen the financial reporting and information disclosure processes to ensure future compliance with the time requirements under the Listing Rules.

(iii) Code Provision D.2 stipulates that the board of directors should be responsible for maintaining a sound and effective internal control and risk management system. During the year, the Company noted uncertainties in the recovery of prepayments made to certain suppliers. In this regard, the Company has engaged an independent internal control consultant to conduct an Internal Control Review on the Company's internal control procedures and identified certain areas for improvement in internal controls. Relevant details have been disclosed in the Company's announcement dated June 22, 2026. The Company has taken and will continue to take rectification measures in response to the relevant findings and recommendations to strengthen the internal control system.

(iv) Code Provision F.1 stipulates that the board of directors should be responsible for maintaining ongoing dialogue with shareholders, in particular, communicating with shareholders and encouraging their participation through formal meetings (including general meetings) and other appropriate channels under the issuer's shareholder communication policy. Although the Company did not convene the AGM during the Reporting Period, it has updated its shareholders via announcements on the findings of the Independent Investigation, Internal Control Review, the progress on complying with the Stock Exchange's resumption guidance, and other material aspect of the company etc. In addition, the Company has kept its investor relations communication channels open to facilitate ongoing engagement with shareholders. The Company will convene the AGM as soon as circumstances permit and ensure strict compliance with the relevant time requirements in the future.

Saved as disclosed above, during the year ended December 31, 2024, the Company has complied with the remaining applicable principles and code provisions of the Corporate Governance Code and has complied with the majority of the recommended best practice provisions set out in the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

AUDIT COMMITTEE

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

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

This annual results announcement is based on the audited consolidated financial statements of the Group for the year ended December 31, 2024 as agreed with the Company's external auditors.

AUDITOR'S SCOPE OF WORK

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

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

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

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management and employees of the Group for their efforts and dedication during the Reporting Period. I would also like to thank the regulators for their guidance and shareholders and customers for their long-term support.

By order of the Board
Netjoy Holdings Limited
XU Jiaqing
Chairman of the Board

Shanghai, The People's Republic of China, June 26, 2026

As at the date of this announcement, the Board comprises Mr. XU Jiaqing as executive Director; Mr. DAI Liqun and Mr. WANG Jianshuo as non-executive Directors; and Mr. CHEN Changhua, Dr. RU Liyun and Ms. CUI Wen as independent non-executive Directors.