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多想雲

MANY IDEA  
CLOUD

## Many Idea Cloud Holdings Limited

多想雲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6696)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Many Idea Cloud Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Period**”), together with the comparative figures for 2022 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	5	1,192,040	498,329
Cost of revenue		(1,074,194)	(318,699)
Gross profit		117,846	179,630
Other revenue	6	10,528	9,254
Other gains and losses	7	642	(3,436)
Selling and marketing expenses		(6,309)	(6,778)
Administrative expenses		(24,104)	(30,493)
Provision for impairment loss on trade receivables and other financial assets, net	9	(65,607)	(24,844)
Finance costs	8	(2,981)	(10,419)
Listing expenses	9	–	(22,183)
Profit before income tax expense	9	30,015	90,731
Income tax credit/(expense)	10	3,040	(23,031)
Profit for the year		33,055	67,700

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – Continued**

*For the year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 RMB'000
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>33,067</b>	67,724
Non-controlling interests		<b>(12)</b>	(24)
		<u><b>33,055</b></u>	<u>67,700</u>
Profit for the year		<u><b>33,055</b></u>	<u>67,700</u>
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss:			
Expected credit loss on debt instrument measured at fair value through other comprehensive income		<b>356</b>	–
Fair value changes on debt instrument measured at fair value through other comprehensive income		<b>(255)</b>	–
Other comprehensive income for the year		<u><b>101</b></u>	<u>–</u>
Total comprehensive income for the year		<u><b>33,156</b></u>	<u>67,700</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>33,168</b>	67,724
Non-controlling interests		<b>(12)</b>	(24)
		<u><b>33,156</b></u>	<u>67,700</u>
<b>Earnings per share attributable to the ordinary shareholder of the Company (RMB)</b>			
– Basic	<i>12(a)</i>	<u><b>0.041</b></u>	<u>0.102</u>
– Diluted	<i>12(b)</i>	<u><b>0.040</b></u>	<u>0.102</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,057</b>	1,531
Right-of-use assets		<b>1,535</b>	4,411
Intangible assets	<i>13</i>	<b>110,123</b>	106,134
Financial asset at fair value through other comprehensive income		<b>10</b>	–
Interests in an associate		<b>47,000</b>	–
Deferred tax assets		<b>21,898</b>	9,836
Prepayments, deposits and other receivables		<b>14,064</b>	13,650
<b>Total non-current assets</b>		<b>195,687</b>	135,562
<b>Current assets</b>			
Trade receivables	<i>14</i>	<b>313,495</b>	155,577
Prepayments, deposits and other receivables		<b>220,905</b>	78,794
Contract costs		<b>100</b>	41
Financial asset at fair value through other comprehensive income		<b>18,711</b>	17,390
Cash and cash equivalents		<b>26,131</b>	329,188
<b>Total current assets</b>		<b>579,342</b>	580,990
<b>Total assets</b>		<b>775,029</b>	716,552
<b>Current liabilities</b>			
Trade payables	<i>15</i>	<b>18,483</b>	22,585
Other payables and accruals		<b>48,803</b>	19,594
Contract liabilities		<b>36,452</b>	28,179
Borrowings		<b>56,555</b>	32,052
Lease liabilities		<b>459</b>	3,159
Convertible bonds – liability component	<i>16</i>	–	37,187
Convertible bonds – conversion option derivative	<i>16</i>	–	–
Income tax payable		<b>35,861</b>	28,077
<b>Total current liabilities</b>		<b>196,613</b>	170,833
<b>Net current assets</b>		<b>382,729</b>	410,157
<b>Total assets less current liabilities</b>		<b>578,416</b>	545,719

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued***As at 31 December 2023*

	<i>Note</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<u>400</u>	<u>859</u>
<b>Total non-current liabilities</b>		<u>400</u>	<u>859</u>
<b>NET ASSETS</b>		<b><u>578,016</u></b>	<b><u>544,860</u></b>
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>17</i>	<u>72</u>	<u>72</u>
Reserves		<u>576,443</u>	<u>543,275</u>
		<u>576,515</u>	<u>543,347</u>
<b>Non-controlling interests</b>		<u>1,501</u>	<u>1,513</u>
<b>TOTAL EQUITY</b>		<b><u>578,016</u></b>	<b><u>544,860</u></b>

## 1. GENERAL INFORMATION

Many Idea Cloud Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 10 June 2021, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**HKEx**”) since 9 November 2022.

The registered office of the Company is located at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. Its principal place of business is 12/F., ERKE Group Mansion, 11 Guanyin Shan Hualien Road, Siming District, Xiamen, Fujian Province, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and the Group, comprising the Company and its subsidiaries, is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and Software as a Service (the “**SaaS**”) interactive marketing services in the PRC.

The ultimate controlling parties of the Group are Mr. Liu Jianhui (“**Mr. Liu**”) and his spouse, Ms. Qu Shuo (“**Ms. Qu**”), who are the executive director/the chairman and the executive director of the board of directors of the Company (the “**Controlling Shareholders**”), respectively.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### (a) Adoption of new or amended HKFRSs – effective 1 January 2023

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

### (b) New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

Further details about those HKFRSs that are not yet effective and are expected to be applicable to the Group are as follows:

#### ***Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and HK Interpretation 5 (Revised), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause***

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2022) was revised as a consequence of the Amendments to HKAS 1 revised in December 2022. The revision to HK Int 5 (Revised) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have material impact on the consolidated financial statements.

#### ***Amendments to HKAS 21, Lack of Exchangeability***

The Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate the comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

### 3. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institution of Certified Public Accountants and the disclosure requirement of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**the Listing Rules**”).

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the financial assets at fair value through other comprehensive income and conversion option portion of convertible bonds, which are measured at fair value as explained in the accounting policies set out below.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company. All values in the consolidated financial statements are rounded to the nearest thousand except when otherwise indicated.

#### 4. SEGMENT INFORMATION

##### Operating segments

The Group is principally engaged in provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services in the PRC.

The information reported to the board of directors of the Company, being the chief operating decision makers (“CODM”), for the purpose of resource allocation and performance assessment, does not contain discrete operating segment financial information, and the CODM reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

##### Geographical information

Substantially all of the Group’s revenues from external customers during the years ended 31 December 2023 and 2022 were attributed to the PRC, and is based on the location in which the relevant Group’s activities which generated such revenues were carried out.

The geographical location of non-current assets (excluding deferred tax assets and financial assets) is based on the physical location of the assets. As at 31 December 2023 and 2022, all of the Group’s non-current assets (excluding deferred tax assets and financial assets) are located in the PRC.

##### Information about major customers

During the years ended 31 December 2023 and 2022, no single customer of the Group amounted for 10% or more of the Group’s total revenue.

#### 5. REVENUE

An analysis of revenue is as follow:

	2023 <i>RMB’000</i>	2022 <i>RMB’000</i>
Integrated marketing services		
– Content marketing services	315,113	273,176
– Digital marketing services	772,758	102,007
– Public relations event planning services	20,382	17,536
– Media advertising services	50,125	58,131
	<u>1,158,378</u>	450,850
SaaS interactive marketing services	33,662	47,479
	<u>1,192,040</u>	<u>498,329</u>
<b>Timing of revenue recognition</b>		
At a point in time	16,794	39,218
Transferred over time	1,175,246	459,111
	<u>1,192,040</u>	<u>498,329</u>

The Group has applied the practical expedient to its performance obligation under the sales contracts for content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for the performance obligation is part of a contract that had an original expected duration of one year or less.

## 6. OTHER REVENUE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Government grants ( <i>Note i</i> )	4,443	5,014
Bank interest income	418	1,388
Interest income on debt instruments measured at fair value through other comprehensive income (“FVTOCI”)	997	70
Additional value added tax (“VAT”) input deduction ( <i>Note ii</i> )	4,636	2,696
Others	34	86
	<u>10,528</u>	<u>9,254</u>

### Notes:

- (i) Government grants mainly represent grants received from the PRC local government authority as subsidies to the Group for:
- (a) enhancement of high quality development in culture and creative industries; and
  - (b) sustainable business development with high-technology and advanced technology.

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised for the years ended 31 December 2022 and 2023.

- (ii) Additional VAT input deduction was recognised in profit or loss due to the VAT reform. In accordance with VAT Reformation Article No. 39, the Group is eligible for VAT credits of 10% additional VAT input deduction from 1 April 2019 to 31 December 2023 upon meeting all applicable criteria.

## 7. OTHER GAINS AND LOSSES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Exchange gains/(losses), net	645	(7,047)
Gain on fair value changes on convertible bond		
– conversion option derivative ( <i>Note 16</i> )	–	3,841
Loss on de-recognition of convertible bonds ( <i>Note 16</i> )	–	(230)
Loss on disposal of property, plant and equipment	(3)	–
	<u>642</u>	<u>(3,436)</u>

## 8. FINANCE COSTS

	2023 RMB'000	2022 RMB'000
Interest expenses on bank borrowings	1,871	977
Interest expenses on loan from third parties	496	758
Interest expenses on loan from a shareholder	–	1,722
Imputed interest expenses on convertible bonds ( <i>Note 16</i> )	490	6,689
Imputed interest expenses on lease liabilities	124	273
	<u>2,981</u>	<u>10,419</u>

## 9. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging:

	2023 RMB'000	2022 RMB'000
Auditors' remuneration	1,531	1,442
Amortisation of intangible assets included in ( <i>Note 13</i> ):		
– Administrative expenses	37	32
– Cost of revenue	12,708	12,202
– Selling and marketing expenses	75	69
– Research costs	2,747	855
	<u>15,567</u>	<u>13,158</u>
Cost of revenue ( <i>Note</i> )	1,074,194	318,699
Cost of inventories recognised as expenses	9,215	5,661
Depreciation charged:		
– Property, plant and equipment	693	661
– Right-of-use assets	2,876	2,879
Employee costs	22,643	25,266
Listing expenses	–	22,183
Provision of impairment loss recognised on trade receivables ( <i>Note 14</i> )	65,761	24,334
(Reversal)/recognition of provision of impairment loss recognised on debt instruments measured at FVTOCI	(154)	510
	<u>65,607</u>	<u>24,844</u>
Research costs included in administrative expenses	6,724	11,379
Short-term leases expenses	3,371	1,967

*Note:*

Cost of revenue includes RMB9,966,000 (2022: RMB7,066,000) of employee costs, RMB3,237,000 (2022: RMB1,881,000) of short-term leases expenses, RMB9,215,000 (2022: RMB5,661,000) of costs of inventories recognised as expenses, which are also included in the respective total amounts disclosed above for each of these types of expenses respectively.

## 10. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2023 RMB'000	2022 RMB'000
Current tax – PRC Enterprise Income Tax (the “PRC EIT”)		
– for the year	8,997	27,950
– under-provision in prior years	25	36
Deferred tax		
– for the year	<u>(12,062)</u>	<u>(4,955)</u>
Income tax (credit)/expense	<u>(3,040)</u>	<u>23,031</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company incorporated in the Cayman Islands and the Company’s subsidiary incorporated in the BVI are not subject to any income tax.

Hong Kong Profits Tax for the Company’s subsidiary incorporated in Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits, if any.

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC EIT of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for the below subsidiaries, which are entitled to a preferential tax rate according to the Enterprise Income Tax Preference Policies issued by the State Administration of Taxation.

According to “Notice of the Ministry of Finance and the State Administration of Taxation on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Huoerguosi” (“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”), a subsidiary of the Group located in Xinjiang, the PRC was entitled to the exemption from the EIT for 5 years since it started its operation in 2022. According to the approval from the PRC government, such exemption will be ended at 31 December 2027.

According to “Announcement of Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China” (“關於延續西部大開發企業所得稅政策的公告”), another subsidiary of the Group located in Xinjiang was no longer subjected to the exemption from the EIT. According to “Notice of the Ministry of Finance and the State Administration of Taxation on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Huoerguosi”, the subsidiary was entitled to a preferential tax rate of 15% since 1 January 2021.

According to “Notice on the implementation of inclusive tax reduction and exemption policies for small and micro enterprises” (“關於實施小微企業和個體工商戶所得稅優惠政策的公告”) since 1 January 2022, for certain subsidiaries of the Group located in the PRC, if their annual taxable profits do not exceed RMB1 million, only 12.5% of such amount is taxable at 20%; while if their annual taxable profits do exceed RMB1 million but less than RMB3 million, only 25% of such amount is taxable with a tax rate of 20%. However, if their annual taxable profits do exceed RMB3 million, the whole amount will be taxable at the tax rate of 25%.

According to “Notice of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port” (“關於海南自由貿易港企業所得稅優惠政策的通知”), a subsidiary of the Group located in Hainan, the PRC was entitled to a preferential tax rate of 15%.

## 10. INCOME TAX (CREDIT)/EXPENSE – Continued

The income tax expense can be reconciled to the profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit before income tax expense	<b>30,015</b>	90,731
Tax calculated at PRC statutory tax rate of 25%	<b>7,503</b>	22,683
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>497</b>	9,556
Expenses not deductible for tax purposes	<b>813</b>	204
Income not taxable for tax purpose	<b>(274)</b>	–
Tax incentives for research and development expenses available for subsidiaries incorporated in the PRC	–	(2,001)
Effect of tax concession granted to PRC subsidiaries	<b>(11,465)</b>	(8,176)
Effect of tax losses not recognised	<b>28</b>	729
Utilisation of unrecognised tax losses	<b>(167)</b>	–
Under-provision in prior years	<b>25</b>	36
Income tax (credit)/expense	<b>(3,040)</b>	23,031

The weighted average applicable tax rate was -10.13% (2022: 25.38%).

## 11. DIVIDENDS

There were no dividends paid or declared by the Company in respect of the years ended 31 December 2023 and 2022.

## 12. EARNINGS PER SHARE

### (a) Basic

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	<b>2023</b>	2022
Profit for the year attributable to owners of the Company for the purpose of computation of basic earnings per share ( <i>RMB'000</i> )	<b>33,067</b>	67,724
Weighted average number of ordinary shares for the purpose of computation of basic earnings per share	<b>800,000,000</b>	663,077,747
Basic earnings per share ( <i>RMB</i> )	<b>0.041</b>	0.102

For the purpose of computing basic earnings per share, ordinary shares issued in the Group Reorganisation were assumed to have been issued and allocated on 1 January 2022.

For the purpose of calculating the weighted average number of ordinary shares, the number of shares has taken the Capitalisation Issue into account as the Capitalisation Issue was deemed to be effective since 1 January 2022 and the shares issued during the Group Reorganisation are treated as if they had been in effect and issued on 1 January 2022.

## 12. EARNINGS PER SHARE – Continued

### (a) Basic – Continued

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2022 was based on the below:

- (a) Weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2021 of 637,538,159 (including Capitalisation Issue of 595,244,490, 1 share issued at the date of incorporation of the Company and 42,293,668 ordinary shares issued on 16 November 2021);
- (b) 2,461,841 ordinary shares issued on 24 January 2022;
- (c) The shares of the Company were listed on the HKEx on 9 November 2022, whereby 160,000,000 new shares were issued by the Company.

### (b) Diluted

The convertible bonds issued by the Company have potential dilutive effect on the earnings per share for the year ended 31 December 2023. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by assuming there is conversion of all convertible bonds issued by the Group (collectively forming the denominator for computing the diluted earnings per share).

In addition, the profit for the year attributable to equity holders of the Company (numerator) has been adjusted by the effect of the issuance of convertible bonds.

	2023	2022
Profit for the year attributable to owners of the Company for the purpose of computation of basic earnings per share ( <i>RMB'000</i> )	33,067	67,724
Dilution effect arising from convertible bonds issued by the Group ( <i>RMB'000</i> ) ( <i>Note</i> )	<u>(645)</u>	<u>–</u>
Profit for the year attributable to owners of the Company for the purpose of computation of diluted earnings per share ( <i>RMB'000</i> )	<u>32,422</u>	<u>67,724</u>
Weighted average number of ordinary shares for the purpose of computation of basic earnings per share	800,000,000	663,077,747
Adjustments for convertible bonds issued by the Group ( <i>Note</i> )	<u>95,281</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of computation of diluted earnings per share	<u>800,095,281</u>	<u>663,077,747</u>
Diluted earnings per share ( <i>RMB</i> )	<u>0.040</u>	<u>0.102</u>

*Note:*

There were no adjustments for the effects of potential ordinary shares arising from outstanding convertible bond for the year ended 31 December 2022 as the assumed conversion of convertible bonds had an anti-dilutive effect on the earnings per share for that year, hence the calculation of diluted earnings per share did not assume the conversion of convertible bonds.

### 13. INTANGIBLE ASSETS

	<b>Computer software</b> <i>RMB'000</i>	<b>Licences</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Cost</b>			
At 1 January 2022	71,221	23,321	94,542
Additions			
– Externally acquired	<u>31,682</u>	<u>–</u>	<u>31,682</u>
At 31 December 2022 and 1 January 2023	102,903	23,321	126,224
Additions			
– Externally acquired	<u>19,556</u>	<u>–</u>	<u>19,556</u>
At 31 December 2023	<u>122,459</u>	<u>23,321</u>	<u>145,780</u>
<b>Accumulated amortisation</b>			
At 1 January 2022	4,211	2,721	6,932
Charged during the year	<u>8,494</u>	<u>4,664</u>	<u>13,158</u>
At 31 December 2022 and 1 January 2023	12,705	7,385	20,090
Charged during the year	<u>10,903</u>	<u>4,664</u>	<u>15,567</u>
At 31 December 2023	<u>23,608</u>	<u>12,049</u>	<u>35,657</u>
<b>Net book value</b>			
At 31 December 2023	<u>98,851</u>	<u>11,272</u>	<u>110,123</u>
At 31 December 2022	<u>90,198</u>	<u>15,936</u>	<u>106,134</u>

The Group's computer software with carrying amount of RMB98,851,000 (2022: RMB90,198,000) will be fully amortised in 10.00 years (2022: 9.92 years).

The Group's licences with carrying amount of RMB11,272,000 (2022: RMB15,936,000) will be fully amortised in 2.42 years (2022: 3.42 years).

### 14. TRADE RECEIVABLES

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	<b>424,977</b>	201,298
Less: Provision for impairment loss recognised	<u>(111,482)</u>	<u>(45,721)</u>
	<u><b>313,495</b></u>	<u>155,577</u>

The Group's trading term with customers are mainly on credit. The credit terms are generally 180 days.

#### 14. TRADE RECEIVABLES – Continued

An ageing analysis, based on the date of rendering services, which approximates the respective revenue recognition dates (before impairment), as of the end of the reporting period is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
1 to 6 months	240,387	123,725
More than 6 months but less than 12 months	76,605	27,702
More than 1 year but less than 2 years	65,414	37,024
More than 2 years	42,571	12,847
	<u>424,977</u>	<u>201,298</u>

Movement on the Group's provision for impairment on trade receivables are as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
At the beginning of the year	45,721	21,387
Provision for impairment loss on trade receivables ( <i>Note 9</i> )	65,761	24,334
	<u>111,482</u>	<u>45,721</u>

#### 15. TRADE PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables ( <i>Note (a)</i> )	<u>18,483</u>	<u>22,585</u>

*Note:*

- (a) An ageing analysis of trade payables as at the reporting date, based on the invoice dates, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within six months	10,119	16,423
More than 6 months but less than 12 months	3,324	400
More than 1 year but less than 2 years	4,310	5,100
More than 2 years	730	662
	<u>18,483</u>	<u>22,585</u>

The Group's trade payables are non-interest bearing and generally have payment terms of 30-90 days.

## 16. CONVERTIBLE BONDS

During the year ended 31 December 2022, the Company issued convertible bond 1 (“**CB 1**”), convertible bond 2 (“**CB 2**”), convertible bond 3 (“**CB 3**”) and convertible bond 4 (“**CB 4**”).

### **CB 1**

On 26 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US\$5,000,000 (equivalent to approximately RMB31,750,000 at issue date). Each bond entitles the holder to convert them into the Company’s ordinary share at a conversion price of USD4.4569 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 25 January 2023.

CB 1 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.29% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 1 issuance date and on 31 December 2022, and Black-Scholes option pricing model and Binomial Tree option pricing model is used in the valuations respectively.

The CB 1 was fully repaid on 30 January 2023.

### **CB 2**

On 26 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US\$1,000,000 (equivalent to approximately RMB6,350,000 at issue date). Each bond entitles the holder to convert them into Company’s ordinary share at a conversion price of USD4.4569 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 25 January 2023.

CB 2 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.29% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 2 issuance date and on 15 November 2022, and Black-Scholes option pricing model is used in the valuation.

The CB 2 was early redeemed on 15 November 2022.

### **CB 3**

On 24 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of US\$600,000 (equivalent to approximately RMB3,810,000 at issue date). Each bond entitles the holder to convert them into Company’s ordinary share at a conversion price of USD4.4682 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 23 January 2023.

CB 3 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 17.81% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 3 issuance date and on 16 November 2022, and Black-Scholes option pricing model is used in the valuation.

The CB 3 was early redeemed on 16 November 2022.

## 16. CONVERTIBLE BONDS – Continued

### CB 4

On 27 January 2022, the Company issued 8% convertible bonds with the aggregate principal amount of HK\$3,000,000 (equivalent to approximately RMB2,442,000 at issue date). Each bond entitles the holder to convert them into Company's ordinary share at a conversion price of HK\$34.9293 per share, which is subject to adjustment on capitalisation issue of the Company with maturity date of 26 January 2023.

CB 4 contains two components: liability component and conversion option derivative. The effective interest rate of the liability component on initial recognition is 18.12% per annum. A valuation on the conversion option derivative of the convertible bonds has been performed by an independent qualified valuer on the CB 4 issuance date and on 24 November 2022, and Black-Scholes option pricing model is used in the valuation.

The CB 4 was early redeemed on 24 November 2022.

### CB 1, CB 2, CB 3 and CB 4 (“All CBs”)

Following the release of results of the Hong Kong Listing committee hearing regarding the Company's listing (the “**Listing**”) application (“**Pre-listing Conversion Event**”), the holders of All CBs have the right to convert the whole of the outstanding principal amount of the CBs into shares of the Company at the corresponding conversion prices within three business days upon occurrence of such Pre-listing Conversion Event.

In the event that the Pre-listing Conversion Event does not take place and Listing becoming unconditional (“**Post-Listing Conversion Event**”), together with the Pre-Listing Conversion Event, the (“**Conversion Event**”), the holders of All CBs can convert the whole of the principal amount of the CBs into shares of the Company at the corresponding conversion prices.

The Conversion Event shall only trigger the conversion if and only if it occurs on or before the maturity date of the CBs and conversion shall take place in full at one time and no partial conversion shall be taken place.

Unless previously redeemed, converted, purchased or cancelled, each CB will be redeemed on maturity date at its principal amount with accrued and unpaid interest thereon on the maturity date.

## 16. CONVERTIBLE BONDS – Continued

The liability component and conversion option derivative recognised in the consolidated statement of financial position were as follows:

	<b>Liability component</b> <i>RMB'000</i>	<b>Conversion option derivative</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
As at 1 January 2022	–	–	–
Convertible bonds issued	40,511	3,841	44,352
Imputed interests ( <i>Note 8</i> )	6,689	–	6,689
Gain on fair value changes on convertible bond – conversion option derivative ( <i>Note 7</i> )	–	(3,841)	(3,841)
De-recognition of convertible bonds on early redemption	(13,996)	–	(13,996)
Loss on de-recognition of convertible bonds ( <i>Note 7</i> )	230	–	230
Interest paid	(898)	–	(898)
Exchange difference	4,651	–	4,651
	<hr/>	<hr/>	<hr/>
As at 31 December 2022 and 1 January 2023	37,187	–	37,187
Imputed interests ( <i>Note 8</i> )	490	–	490
Repayment of convertible bonds	(33,813)	–	(33,813)
Interest paid	(2,729)	–	(2,729)
Exchange difference	(1,135)	–	(1,135)
	<hr/>	<hr/>	<hr/>
As at 31 December 2023	–	–	–

## 17. SHARE CAPITAL

	<b>Number</b>	<b>Amount</b> <i>HKD'000</i>	<b>Amount</b> <i>RMB'000</i>
Ordinary shares of par value of HKD0.0001 each			
<b>Authorised</b>			
At 1 January 2022	3,900,000,000	390	337
Increase in authorised share capital ( <i>Note (iii)</i> )	6,100,000,000	610	550
	<hr/>	<hr/>	<hr/>
As at 31 December 2022, 1 January 2023 and 31 December 2023	10,000,000,000	1,000	887
	<hr/>	<hr/>	<hr/>
<b>Issued and fully paid</b>			
As at 1 January 2022	42,293,669	4	3
Issue of shares ( <i>Note (i)</i> )	2,461,841	–*	1
Issuance of shares upon listing ( <i>Note (ii)</i> )	160,000,000	16	14
Issuance shares for Capitalisation Issue ( <i>Note (ii)</i> )	595,244,490	60	54
	<hr/>	<hr/>	<hr/>
As at 31 December 2022, 1 January 2023 and 31 December 2023	800,000,000	80	72
	<hr/>	<hr/>	<hr/>

\* Represents amount less than HKD1,000.

## 17. SHARE CAPITAL – Continued

*Notes:*

- (i) Pursuant to the resolution of the shareholders, the Company allotted and issued 2,461,841 ordinary shares of HKD0.0001 each at USD4.47 (equivalent to approximately RMB28.37) on 24 January 2022.
- (ii) In connection with the Company's issuance of new shares upon Listing, the Company allotted and issued 160,000,000 shares of HK\$0.0001 each at a price of HKD1.96 per share on 9 November 2022 as a result of the completion of Listing. The gross proceeds from issuance of new shares of approximately RMB282,632,000 (equivalent to approximately HK\$313,600,000) of which approximately RMB14,000 (equivalent to approximately HK\$16,000) was credited to the Company's share capital, and the remaining balance of approximately RMB282,618,000 (equivalent to approximately HK\$313,584,000) before deduction of share issuance expenses, was credited to share premium account. The share premium account can be used for deduction of share issuance expenses. After the share premium account of the Company being credited as a result of the issuance of new shares upon listing, RMB54,000 (equivalent to approximately HK\$60,000) was capitalised from the share premium account and applied in paying up in full at par 595,244,490 new shares for allotment and issue to shareholders whose names appear on the register of members of the Company at the close of business on 9 November 2022 in proportion to their respective shareholdings ("**Capitalisation Issue**").
- (iii) On 12 October 2022, the authorised share capital of the Company was increased from HK\$390,000 divided into 3,900,000,000 shares to HK\$1,000,000 divided into 10,000,000,000 shares by the creation of additional 6,100,000,000 shares which rank pari passu in all respects.

## 18. EVENT AFTER THE REPORTING DATE

On 28 December 2023, the Group announced a proposed open offer to the shareholders a total of 400,000,000 shares at a price of HK\$0.15 per share, on the basis of one rights share for every two shares held. The estimated net proceeds from the open offer will be approximately RMB53,004,000. Once the open offer completed, the number of ordinary shares will increase to 1,200,000,000 shares. Such offer is expected to commence on 21 March 2024.

Save as disclosed above, there is no material event undertaken by the Company or by the Group after the end of the reporting period and up to the date of authorisation for issue of these consolidated financial statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND OUTLOOK**

#### **Industry review**

In the ever-changing year of 2023, the advertising industry continued to stand as a key driver of global economic growth. We also witnessed a boom in digital advertising, especially as social media, search engine optimisation and video content marketing innovations continued to drive the industry forward. With the continuous advancement of 5G and AI technology, advertising personalisation and audience targeting reached unprecedented precision.

Core players in the advertising market, from traditional ad groups to tech giants, were all adapting to this shift, seeking innovative ways to engage consumers and improve advertising efficiency. Throughout the year, we also observed the impact of COVID-19 on consumer behavior, which forced brands to understand user needs online deeply. Content marketing and influencer marketing were on the rise, while the industry was increasingly emphasizing transparency and ethical standards in response to gradually tightening regulatory environments.

Despite challenges, the industry's spirit of innovation remained strong, and emerging technologies like augmented reality and virtual reality were paving the way for new interactive channels, showing the potential to reshape future advertising practices. Regarding industry regulation, data privacy protection has become a global focus, which impacts advertising strategies and operational models profoundly. However, the resilience and innovation shown by the advertising market made people optimistic about its future development. Generally, 2023 was a year of challenges and opportunities for this industry. These experiences will lay a solid foundation for its future growth and evolution.

#### **Business review**

##### *Our products and services*

In 2023, we have shown steady performance in overall revenue, with the proportion of income from major customers continuously increasing. We also attained the status of a national first-class agent for Ocean Engine (巨量引擎). Leveraging excellent traffic investment skills, we continuously improved our live streaming capabilities, constantly expanded our operations on TikTok, and were recognised as a two-star service provider of Ocean Qianchuan (巨量千川). In 2023, based on capabilities of previously existing integrated marketing services (consisting of (i) content marketing services, (ii) digital marketing services, (iii) public relations event planning services, and (iv) media advertising services) along with capabilities of Software as a Service (the “SaaS”) interactive marketing services, we also developed capabilities of content e-commerce effect cases, assisting customers in reducing customer acquisition costs and boosting sales around TikTok ecosystem through live streaming operation, short video recommendation, and KOL distribution comprehensive e-commerce operation.

Our projects have received numerous awards, such as the China Advertising Great-wall Award (awarded by the China Advertising Association, a national industry association with over 35 years of history), the China Advertising Marketing Award (awarded by China Advertising Magazine, a professional advertising magazine in China), the Tiger Roar Award (虎嘯獎) and the Creative Award Innovation – Gold Award (科睿創新獎金).

Through our integrated marketing solutions services, we can provide our customers with both online and offline marketing solutions services to enhance the awareness and popularity of their brands and products. Our customers consist of a number of brands with which we have developed a stable business relationship.

### **Prospects and outlook**

Looking to the future, with the effective control of the pandemic, China is expected to construct more large venues for cultural and sports events, which is likely to draw more people to concerts, dramas, and sports events. According to the Opinions of the State Council on Implementing the Healthy China Action (《關於實施健康中國行動的意見》) and the Policy on Establishing the Healthy China Action Promotion Committee (《健康中國行動推薦委員會》), the Chinese government and residents have begun to pay more attention to promoting personal health and sports events. In such a context, we will speed up efforts in offline events and rapidly expand the blueprint for the offline integrated marketing events to maximise the scale of the offline integrated marketing services. It is expected that content marketing services will continue to develop in the future. In addition, we will grasp new opportunities bestowed by the new era to focus on enhancing our efforts around social media, secure the first-class agent qualifications of Xiaohongshu and Tencent, and improve the brand-efficiency integration solutions services. Furthermore, we will focus on the industry, enhance industry expertise, improve media operational capabilities, strengthen traffic optimisation, and increase and expand our AI-enabled marketing capabilities.

We believe the following competitive advantages have contributed to our success and will drive our growth in the future:

***We are a PRC event content marketing services company with capability of project planning, design, operation and execution, through which we support our customers to enhance the effectiveness of their marketing campaigns and brand value.***

We believe that the extensive resources we have accumulated throughout the years of our operation provide us with a competitive advantage to provide integrated marketing solutions services to our customers. With extensive experience in integrated marketing solutions services, we have an insightful understanding of the market and our customers' demands. Further, leveraging on our planning, design, operation, and execution capabilities of IP contents, we are able to facilitate our customers to increase brand awareness among their end customers and to enhance their interactions with their end customers, especially through event content marketing projects.

***With the capability to integrate “online” and “offline” media channel resources, we are able to provide one-stop integrated marketing solutions services to our customers, thereby enhancing the publicity effect of marketing activities for our customers.***

With years of operation in the industry, we have developed extensive resources and long-term cooperation with a number of upstream and downstream industry players. This has equipped us with knowledge of the operational characteristics of the different advertising and marketing channels, thereby allowing us to provide more tailored advertising and marketing strategies to our customers to achieve better marketing effects for them.

***We have stable cooperation with a large number of customers and a majority of our customers come from the fast moving consumer goods (“FMCG”), footwear and real estate industries.***

We have established strong business relationships with a number of our major customers. We also have an extensive customer base, which includes enterprises engaged in various industries such as footwear and apparel, food and beverage, daily necessities, real estate, fashion, electronics, and internet, as well as governments and universities.

***We have the capability to operate and commercialise IP contents through our integrated marketing solutions services.***

Building upon our years of experience in providing integrated marketing solutions services to our customers, we have developed the capability to operate and commercialise IP contents through our content marketing projects. For our content marketing projects, we integrate brands and products of our customers into the content marketing projects to promote our customers’ brands and products which, at the same time, increase the popularity and commercial values of the IP contents through the projects.

***We are empowered by AI technology to provide integrated “Content + Technology” platform services.***

We realise AI-enabled integrated marketing for enterprises, achieving marketing and capital empowerment, and online and offline dual drive. This enables us to compete with other online marketing competitors.

***We have a visionary and experienced management team.***

We have a strong management team with a full range of expertise in operation and industry. Our Group is under the leadership of Mr. Liu Jianhui, our founder and chairman of our Board, who has over 15 years of experience in the marketing industry and possesses excellent capabilities in sales and business management within the industry. Other senior management members of the Group also have strong marketing or related experience, strong industry background, and extensive experience with our customers.

## FINANCIAL REVIEW

### Overview

We provide integrated marketing solutions services mainly in the PRC to a large base of customers, with particular success in the fast-moving consumer goods, footwear and apparel and real estate industries. Our total revenue consists of revenue from integrated marketing solution services and revenue from SaaS interactive marketing services. Our integrated marketing solution services consist of four types of marketing services, namely (i) content marketing; (ii) digital marketing; (iii) public relations event planning; and (iv) media advertising.

During the Reporting Period, our total revenue amounted to approximately RMB1,192,040,000, a year-on-year (“YoY”) increase of approximately 139.2% (approximately RMB498,329,000 in 2022), mainly due to a rise in revenue resulting from our persistent business expansion efforts and improved reputation among existing and potential customers as well as the launch of new TikTok businesses during the Reporting Period.

### Revenue

During the Reporting Period, our total revenue reached approximately RMB1,192,040,000, a YoY growth of approximately 139.2% (approximately RMB498,329,000 in the same period in 2022).

The following table sets out a breakdown of our total revenue for the years indicated. For the year ended 31 December 2023, revenue from integrated marketing services increased by approximately 156.9% YoY to approximately RMB1,158,378,000, accounted for approximately 97.2% of our total revenue. Revenue from SaaS interactive marketing services decreased by approximately 29.1% YoY to approximately RMB33,662,000, accounted for approximately 2.8% of the total revenue.

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	RMB'000	%	RMB'000	%	%
Revenue from integrated marketing services	1,158,378	97.2	450,850	90.5	156.9
Revenue from SaaS interactive marketing services	33,662	2.8	47,479	9.5	-29.1
Total	<u>1,192,040</u>	<u>100.0</u>	<u>498,329</u>	<u>100.0</u>	<u>139.2</u>

### *Integrated Marketing Services*

The following table sets out a breakdown of the revenue from integrated marketing services by product category for the years indicated, in terms of amount and as a proportion to the revenue from integrated marketing services.

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	%
Content marketing	315,113	27.2	273,176	60.6	15.4
Digital marketing	772,758	66.7	102,007	22.6	657.6
Media advertising	50,125	4.3	58,131	12.9	-13.8
Public relations event planning	20,382	1.8	17,536	3.9	16.2
<b>Total</b>	<b>1,158,378</b>	<b>100.0</b>	<b>450,850</b>	<b>100.0</b>	<b>156.9</b>

Revenue from content marketing services, digital marketing services, public relations event planning services and media advertising services are recognised over the period of time when the related services are rendered according to the progress of completion as stipulated under the agreements. Revenue would be recognised when we deliver the services to our customers, such as delivery of design and advertising plans, and will continue to be recognised until all promised services are delivered.

During the Reporting Period, our revenue from integrated marketing services increased by approximately 156.9% YoY to approximately RMB1,158,378,000 (approximately RMB450,850,000 in 2022), accounted for approximately 97.2% of total revenue in 2023 and approximately 90.5% in 2022. The increase in total revenue from integrated marketing services was due to the abundance of experience in serving customers gleaned over the years, the introduction of schemes and products that better meet customer marketing needs, the ability to attract more investment from customers, and the impact of the TikTok projects which contributed to the substantial growth in revenue for our digital marketing segment.

### *SaaS Interactive Marketing Services*

For SaaS interactive marketing services, annual subscription fees are recognised over the year of subscription. For SaaS customised products, we recognise revenue when the products are delivered to our customers. For SaaS interactive marketing services where we engage SaaS agents to market and sell our SaaS products, as we regard our SaaS agents as our direct buyers, we recognise revenue generated from our SaaS agents for our SaaS interactive marketing services upon setting up and activating user accounts after deduction of the commission expenses paid or payable to such SaaS agents.

During the Reporting Period, our revenue from SaaS interactive marketing services decreased by approximately 29.1% YoY to approximately RMB33,662,000 (approximately RMB47,479,000 in 2022), accounted for approximately 2.8% of total revenue in 2023 and approximately 9.5% in 2022. The decline in revenue is mainly due to the fact that customers' demand for marketing tools has decreased and they still prefer customised services. Therefore, the input-output ratio may not necessarily be proportional. In addition, the market competition becomes more fierce, which led to a decrease in SaaS revenue.

## Revenue and Costs

During the Reporting Period, the cost of our revenue amounted to approximately RMB1,074,194,000, a YoY growth of approximately 237.1% (approximately RMB318,699,000 in the same period in 2022).

### *Integrated Marketing Services*

The costs of integrated marketing services mainly include media advertising resources costs, production costs, equipment rental costs, employee costs and other costs.

The following table sets out a breakdown of the cost of revenue of integrated marketing services and products for the years indicated, in terms of amount and as a proportion to the revenue from integrated marketing services.

	2023		For the year ended 31 December		2022		Change (+/(-))	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Media advertising resources costs								
– Marketing rights from IP content providers	103,286	9.9	72,271	24.1			42.9	
– Costs of obtaining advertising resources from advertising media channels or their agents	863,857	82.5	166,048	55.3			420.2	
– Other media technical and execution costs	9,461	0.9	9,791	3.3			-3.4	
Subtotal	<u>976,604</u>	<u>93.3</u>	<u>248,110</u>	<u>82.6</u>			<u>293.6</u>	
Production costs	53,626	5.1	41,324	13.8			29.8	
Equipment rental costs	2,189	0.2	894	0.3			144.9	
Staff costs	9,685	0.9	6,393	2.1			51.5	
Other costs	4,364	0.4	3,739	1.2			16.7	
Total	<u>1,046,468</u>	<u>100.0</u>	<u>300,460</u>	<u>100.0</u>			<u>248.3</u>	

During the Reporting Period, the cost of revenue of integrated marketing services reached approximately RMB1,046,468,000, a YoY growth of approximately 248.3% (approximately RMB300,460,000 in the same period in 2022). This is mainly due to the increase in revenue from digital marketing TikTok projects in this period, which led to a YoY rise in media advertising resources costs.

### *SaaS Interactive Marketing Services*

The cost of SaaS interactive marketing services revenue mainly includes SaaS costs. The following table sets out the breakdown of cost of SaaS interactive marketing services for the years indicated, which are presented in absolute amounts and as a proportion of SaaS interactive marketing services revenue respectively.

	For the year ended 31 December				
	2023		2022		Change (+/(-))
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	%
SaaS costs	27,445	99.0	17,566	96.3	56.2
Staff costs	281	1.0	673	3.7	-58.2
Total	<u>27,726</u>	<u>100.0</u>	<u>18,239</u>	<u>100.0</u>	<u>52.0</u>

During the Reporting Period, the cost of revenue of SaaS interactive marketing services amounted to approximately RMB27,726,000, a YoY growth of approximately 52.0% (approximately RMB18,239,000 in the same period in 2022). The main reason is that customers preferred customised services and the outsourcing cost of SaaS customisation has increased.

### **Gross Profit**

The following table sets out the gross profit margin and its breakdown in absolute amounts by type of revenue for the years indicated.

	For the year ended 31 December				
	2023		2022		
	<i>RMB'000</i>	<i>Gross profit margin (%)</i>	<i>RMB'000</i>	%	<i>Gross profit margin (%)</i>
Integrated marketing services	111,910	9.7	150,390	33.4	-25.6
SaaS interactive marketing services	5,936	17.6	29,240	61.6	-79.7
Total	<u>117,846</u>	<u>9.9</u>	<u>179,630</u>	<u>36.0</u>	<u>-34.4</u>

During the Reporting Period, our total gross profit reached approximately RMB117,846,000, a YoY decrease of approximately 34.4% (approximately RMB179,630,000 in the same period in 2022). The gross profit from integrated marketing services was approximately RMB111,910,000, a YoY decrease of approximately 25.6% (approximately RMB150,390,000 in the same period in 2022). The gross profit of our SaaS interactive marketing service was approximately RMB5,936,000, representing a YoY decrease of approximately 79.7% (the same period in 2022: approximately RMB29,240,000). The integrated marketing business mainly included content marketing and the investment attraction of NetEase projects was unsatisfactory. Due to the complete lifting of the pandemic restrictions in 2023, the masses preferred offline sports events and paid more attention to health management. Customer brands also tended to place brand advertisements on offline sports events, so the gross profit was relatively reduced; and in terms of the SaaS business, the main reason is that the Company's SaaS cost is amortised by fixed intangible assets every month, so the decrease of revenue during the Reporting Period led to the decrease of gross profit margin.

## **Selling and Marketing Expenses**

Our selling and marketing expenses mainly consist of (i) salaries and benefits of marketing and technical support personnel; (ii) business entertainment and travel expenses, largely including business entertainment, accommodation and travel expenses; (iii) amortization and depreciation, mainly referring to the depreciation of equipment, automobiles, leased property renovation, and leased right-of-use assets and the amortization of computer software; and (iv) other expenses, including property management fees, office expenses and local transportation expenses. During the Reporting Period, our selling and marketing expenses reached approximately RMB6,309,000, a YoY decrease of approximately 6.9% (approximately RMB6,778,000 in the same period in 2022). This is mainly due to the decrease in business entertainment expenses, which was caused by the Company's strengthening of expense control during the Reporting Period.

## **Administrative Expenses**

Administrative expenses predominantly include: (i) employee costs and benefits, principally including administrative employee salaries and training expenses; (ii) legal and professional fees, mainly referring to legal and professional fees incurred in connection with the Group's business operation; (iii) amortization and depreciation, primarily referring to the depreciation of equipment, vehicles, and renovation of our leased properties, and leased right-of-use assets and the amortization of computer software; (iv) research and development ("R&D") costs, principally referring to the salaries of R&D employees of content engine; (v) other taxes, mostly consisting of urban maintenance and construction taxes and stamp taxes; and (vi) other expenses. During the Reporting Period, our general and administrative expenses amounted to approximately RMB24,104,000, a YoY decrease of approximately 21.0% (approximately RMB30,493,000 in the same period in 2022). The main reason is that the SaaS system in this period was relatively stable, so the number of R&D personnel in this period decreased and the corresponding salary also declined; In addition, after the Company went listed, the corresponding intermediary fees all decreased.

## **Provision for Impairment Loss on Trade Receivables and Other Financial Assets during the Reporting Period**

During the Reporting Period, our provision for impairment loss on trade receivables and other financial assets was approximately RMB65,607,000, representing an increase of approximately 164.1% YoY (approximately RMB24,844,000 in the same period in 2022). Such an increase was primarily due to the fact that significant growth in revenue was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts during the Reporting Period.

## Other Revenue

The following table provides a breakdown of components of other revenue for the years indicated:

	For the year ended 31 December		
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	Change (+/(-)) %
Government subsidies	4,443	5,014	-11.4
Bank interest income	418	1,388	-69.9
Interest income on debt instruments measured at FVTOCI	997	70	1,324.3
Additional value added tax input deduction	4,636	2,696	72.0
Others	34	86	-60.5
Total	<u>10,528</u>	<u>9,254</u>	<u>13.8</u>

During the Reporting Period, our other revenue amounted to approximately RMB10,528,000, representing a YoY increase of approximately 13.8% (the same period in 2022: approximately RMB9,254,000), mainly due to the increased use of additional value-added tax input deduction during the Reporting Period.

## Other Gains and Losses

During the Reporting Period, our other gains amounted to approximately RMB642,000 (other losses of approximately RMB3,436,000 in 2022). Such a turnaround was mainly due to the fact that foreign currency accounts of the Company changed with the exchange rate during the Reporting Period.

## Finance Costs

Finance costs primarily comprise (i) interest expense on bank borrowings; (ii) interest expense on third-parties' loans; (iii) imputed interest expenses on convertible bonds; and (iv) interest expenses on lease liabilities.

During the Reporting Period, our finance costs reached approximately RMB2,981,000, a YoY decrease of approximately 71.4% (approximately RMB10,419,000 in the same period in 2022). Such decrease was largely attributed to the decrease in interest expenses in connection with (i) the Pre-HKIPO Loans entered into between the Company and each of the Pre-HKIPO loan lenders; (ii) loan agreement entered into between the Company and one Pre-IPO Investor pursuant to the terms under the subscription agreement in January 2022; and (iii) the three bridging loan agreements entered into between the Company and two independent third parties for the settlement of consideration of business transfer with an aggregate total loan amount of approximately RMB101.3 million in January 2022, and such loans were fully repaid in June 2022.

## **Listing Expenses**

During the Reporting Period, we incurred no listing expenses, representing a YoY decrease of approximately 100.0% (the same period in 2022: approximately RMB22,183,000).

## **Profit before Income Tax**

As a result of the above, our profit before income tax for the year ended 31 December 2023 stood at approximately RMB30,015,000, representing a YoY decrease of approximately 66.9% (approximately RMB90,731,000 in the same period in 2022).

## **Income Tax (Credit)/Expense**

During the Reporting Period, our income tax credit was approximately RMB3,040,000, a YoY decrease of approximately 113.2% (income tax expense of approximately RMB23,031,000 in the same period in 2022). Such a turnaround was largely due to an increased revenue caused by lower gross profits during the Reporting Period, leading to the synchronous increase of corresponding credit impairment provision receivable and deferred income tax expense. The effective tax rate, representing income tax expense divided by profit before tax, was 25.4% for 2022 and -10.1% for 2023, respectively.

## **Net Profit and Net Profit Margin**

The Group recorded a net profit of RMB67,700,000 and RMB33,055,000 in 2022 and 2023, with a net profit margin of 13.6% and 2.8%, respectively. The adjusted net profit of the Group further decreased by 63.2% from approximately RMB89,883,000 in 2022 to approximately RMB33,055,000 in 2023, which was mainly due to growing revenue and a decrease in gross profit margin during 2023.

## **Non-HKFRS Measurement**

To complement the consolidated annual results presented in accordance with HKFRS, we have also used EBITDA (i.e. earnings before interest, taxes, depreciation and amortization), adjusted EBITDA and adjusted net profit, which are not required by or presented in accordance with HKFRS, as additional financial measures. We believe that these non-HKFRS measurement tools can eliminate the potential impact of items that the management considers cannot reflect our operating performance, which is conducive to the comparison of operating performance across years and companies. We believe that these measurement tools provide investors and others with useful information to understand and evaluate our consolidated results of operation in the same manner as the management. However, the EBITDA, adjusted EBITDA and adjusted net profit presented by us are not necessarily comparable to similar measurement tools presented by other companies. These non-HKFRS measurement tools have limitations as analytical tools and should not be considered independent of or as a substitute for our analysis of results of operation or financial conditions presented in accordance with HKFRS.

## ***EBITDA and Adjusted EBITDA***

We added back listing expenses, exchange gains and losses, and changes in the fair value of convertible bonds to EBITDA to obtain adjusted EBITDA. The following table sets out a reconciliation of EBITDA and adjusted EBITDA for the years indicated:

	<b>For the year ended 31 December</b>		
	<b>2023</b>	2022	Change (+/(-))
	<b><i>RMB'000</i></b>	<i>RMB'000</i>	%
<b>EBITDA and adjusted EBITDA</b>			
<b>Profit before Income Tax Expense</b>	<b>30,015</b>	90,731	-66.9
Interest income	<b>-1,415</b>	-1,458	-2.9
Interest expense	<b>2,981</b>	10,419	-71.4
<b>Earnings before interest and taxes</b>	<b>31,581</b>	99,692	-68.3
Add:			
Depreciation of right-of-use assets	<b>2,876</b>	2,879	-0.1
Depreciation of property, plant and equipment	<b>693</b>	661	4.8
Amortization of intangible assets	<b>15,567</b>	13,158	18.3
	<hr/>	<hr/>	<hr/>
<b>EBITDA</b>	<b>50,717</b>	116,390	-56.4
Add:			
Listing Expenses	<b>–</b>	22,183	-100.0
	<hr/>	<hr/>	<hr/>
<b>Adjusted EBITDA</b>	<b>50,717</b>	138,573	-63.4
	<hr/>	<hr/>	<hr/>

## ***Adjusted net profit***

We added back listing expenses, exchange gains and losses, and changes in the fair value of convertible bonds to net profit for the period to obtain adjusted net profit. The following table sets out a reconciliation of net profit and adjusted net profit for the years indicated:

	<b>For the year ended 31 December</b>		
	<b>2023</b>	2022	Change (+/(-))
	<b><i>RMB'000</i></b>	<i>RMB'000</i>	%
<b>Reconciliation of net loss to adjusted net profit</b>			
<b>Net profit for the year</b>	<b>33,055</b>	67,700	-51.2
Listing Expenses	<b>–</b>	22,183	-100.0
	<hr/>	<hr/>	<hr/>
<b>Adjusted net profit</b>	<b>33,055</b>	89,883	-63.2
	<hr/>	<hr/>	<hr/>

## Reserves and Capital Structure

As of 31 December 2023, the Group's total equity was RMB578,016,000 (as of 31 December 2022: RMB544,860,000), which represented share capital of RMB72,000 (as of 31 December 2022: RMB72,000) and reserves of RMB576,443,000 (as of 31 December 2022: RMB543,275,000). The increase in total equity was primarily due to net profit for the year.

## LIQUIDITY AND FINANCIAL SOURCES

The Group's operations were primarily financed through its operating activities. The Group derived its cash inflow from operating activities primarily through the receipt of payments from the customers in relation to the integrated marketing solutions services and the SaaS interactive marketing services. The Group's cash outflows from operating activities primarily comprised payments for media advertising resources costs and operating expenses such as production costs and SaaS costs.

As of 31 December 2023, the Group's total current assets and current liabilities were RMB579,342,000 (as of 31 December 2022: RMB580,990,000) and RMB196,613,000 (as of 31 December 2022: RMB170,833,000), respectively, while the current ratio was 2.9 times (as of 31 December 2022: 3.4 times). As of 31 December 2023, the Group had a cash and bank balance amounting to RMB26,131,000 (as of 31 December 2022: RMB329,188,000).

As of 31 December 2023, the bank loan of the Group was RMB56,555,000. The Group's gearing ratio (which equals to total debt divided by total capital plus total debt, where total debt includes borrowings, lease liabilities and convertible bonds, and capital includes equity attributable to owners of the Company) was 9.1% as at 31 December 2023 (31 December 2022: 11.9%).

## CAPITAL EXPENDITURES AND COMMITMENT

Our capital expenditures primarily consist of (i) property, plant and equipment, which primarily consisted of computer equipment, office equipment, automobiles, and leasehold improvement in relation to renovation expenses for our properties; (ii) right-of-use assets, which primarily consisted of our property leases; and (iii) intangible assets, which primarily consisted of copyright licences and purchased software, among others.

As of 31 December 2023, our capital expenditure was approximately RMB19,787,000. The following table sets out our capital expenditures for the years indicated:

	<b>31 December 2023</b> <i>RMB'000</i>
(1) Fixed assets (including computer equipment, office equipment, automobiles and office leasehold improvement)	231
(2) Intangible assets (including our trademarks, software copyrights, purchased software and self-developed software)	19,556
Total	<hr/> <b>19,787</b> <hr/>

As of 31 December 2023, the Group had a total capital commitment of approximately RMB11,090,000 (31 December 2022: RMB11,262,000), contracted for but not provided for in the consolidated financial statements in respect of the property, plants, and equipment.

## **CONTINGENT LIABILITIES**

As of 31 December 2023, we did not have any unrecorded significant contingent liabilities, guarantees, or any litigation against us.

## **FOREIGN CURRENCY RISK MANAGEMENT**

We conduct our business operations primarily in China, settle most of our transactions in RMB, and are exposed to foreign currency risks from various currency exposures, primarily with respect to U.S. dollars and Hong Kong dollars. During the Reporting Period, we did not hedge our foreign exchange risks through any long-term contracts, monetary borrowings or other means.

The Group adopted a prudent approach toward its treasury policies. Our treasury function mainly involves the management of our cash flows. Cash is mainly deposited in banks in Renminbi for working capital purposes. We did not have any material holding in financial securities or foreign exchange (except for business purposes) during the Reporting Period.

## **CREDIT RISK**

Credit risk mainly arises from trade receivables and contractual assets. We have policies in place to ensure that our services are provided to customers with an appropriate credit history. We also have other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management will regularly review the recoverable amount of individual receivables based on customers' financial condition, our historical experience, and other factors to ensure that sufficient provision for impairment losses is made for the irrecoverable amount.

## **ASSETS PLEDGED**

As of 31 December 2023, we did not pledge any assets.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

On 14 December 2023 (after trading hours), Xiamen Instant Interactive Culture Communication Co., Ltd.\* (廈門即刻互動文化傳播有限公司) (“**Xiamen Instant Interactive**”), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement (the “**Cooperation Agreement**”) with Shanghai Yuzheng Investment Management Co., Ltd. (上海聿正投資管理有限公司) (“**Shanghai Yuzheng**”), pursuant to which the parties agreed to establish a joint venture company (the “**JV Company**”) with registered capital of RMB150,000,000. Pursuant to the Cooperation Agreement, Xiamen Instant Interactive will contribute RMB47,000,000 in cash towards the registered capital of the JV Company, representing 31.3% of the equity interest in the JV Company. The Company intended to cooperate with Shanghai Yuzheng for pursuing its plans of strategic cooperation, investments, and acquisitions with the selection criteria for the acquisition targets as disclosed in the Prospectus (as defined below) through the establishment of JV Company. For further details, please refer to announcement of the Company dated 14 December 2023 (the “**December 2023 Announcement**”).

Save as disclosed above, as of 31 December 2023, the Group had no significant investments, material acquisitions, disposals of subsidiaries, associates and joint ventures.

## **FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS**

As of 31 December 2023, save for the disclosure made in the prospectus of the Company dated 28 October 2022 (the “**Prospectus**” December 2023 Announcement), the Group did not have any plan for significant investments or capital assets.

## **EMPLOYEES**

As of 31 December 2023, we had a total of 136 employees.

Our success depends on our ability to attract, retain and motivate qualified personnel. We provide our employees with various incentives and benefits. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. Employees’ remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by our Board from time to time.

In accordance with the regulations of the PRC, we participate in various social security plans for employees organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefits plans.

To maintain the quality, knowledge and skills of our employees, we strive to enhance their technical, professional or managerial skills by providing continuing education and training courses (including internal and external training courses) to them. We also provide training courses to our employees from time to time to ensure that they are fully aware of and comply with our policies and procedures.

During the Reporting Period, the total staff cost including remuneration, other employee benefits and contributions to retirement schemes for Directors and other staff of the Group amounted to RMB22,643,000 (the same period in 2022: RMB25,266,000). The decrease in staff cost was mainly due to the decrease in the number of R&D staff.

## USE OF PROCEEDS

The net proceeds from the listing (“**Net Proceeds**”), after deducting the underwriting fees and other related expenses in connection with the listing, was approximately HKD267.30 million.

On 14 December 2023, the Board has resolved to reallocate the unutilised Net Proceeds, for the reasons as set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” in the December 2023 Announcement. For further details, please refer to the December 2023 Announcement.

The following table sets out the utilisation of the net proceeds as of 31 December 2023:

	Percentage of Net Proceeds	Net Proceeds from Global Offering <i>HKD Million</i>	Utilised balance as of 31 December 2023 <i>HKD Million</i>	Unutilised balance as of 31 December 2023 <i>HKD Million</i>	Expected Timeline of Utilisation
Enhancing SaaS interactive marketing platform research and development	14.7%	39.2	39.2	–	Not Applicable
Scaling up our IP contents portfolio and expanding our integrated marketing solutions business	44.5%	119	103.7	15.3	2024.12.31
Investment in the expansion of our geographical coverage and customer base	16.0%	42.7	42.7	–	Not Applicable
Joint venture establishment	19.3%	51.6	51.6	–	Not Applicable
Working capital and general corporate use	5.5%	14.8	14.8	–	Not Applicable
Total	<u>100%</u>	<u>267.3</u>	<u>252.0</u>	<u>15.3</u>	

The aforesaid expected timeline of full utilisation of the unutilised net proceeds is based on our Directors’ best estimation, and is subject to change in light of future market conditions or any unforeseen circumstances.

## **MAJOR EVENTS AFTER THE REPORTING PERIOD**

At 28 December 2023, the Group announced a proposed open offer to the shareholders a total of 400,000,000 shares at a price of HK\$0.15 per share, on the basis of one rights share for every two shares held. The estimated net proceeds from the open offer will be approximately RMB53,004,000. Once the open offer completed, the number of ordinary shares will increase to 1,200,000,000 shares. Such offer was expected to commence on 21 March 2024. For further details, please refer to, amongst others, announcements of the Company dated 28 December 2023 and 8 March 2024 and the circular of the Company dated 25 January 2024.

Save as disclosed, there was no significant event after the Reporting Period and up to the date of this announcement.

## **PURCHASE, SALE, OR REDEMPTION OF THE SECURITIES**

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries acquired, sold or redeemed any of its listed securities.

## **CORPORATE GOVERNANCE CODE**

The Board is committed to the practice of good corporate governance measures.

The Board believes that good corporate governance measures are essential to provide the Company with a framework to safeguard shareholders' equity, enhance corporate value, develop business strategies and policies, and improve transparency and accountability.

The Company has adopted and applied the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. So far as the Directors are aware, our Company has complied with all applicable code provisions under the CG Code from its listing date to 31 December 2023 except for provision C.2.1 of the CG Code set out below.

The roles of chairman and chief executive should be separate and not held by the same person. Mr. Liu Jianhui ("Mr. Liu") currently holds two positions. Since the establishment of the Group in 2012, Mr. Liu has been a key leader of the Group and has been deeply involved in the formulation of the Group's business strategy and decisions on its overall direction. He is also primarily responsible for the Group's operations as he directly supervises the Directors of the Group (in addition to himself) and our members of senior management. Given the continued implementation of the Group's business plan, the Directors of the Group (including the Group's independent non-executive Directors) consider Mr. Liu to be the best candidate for these two positions and that the current arrangement is beneficial to and in the interest of our Company and Shareholders as a whole. The Board of the Group will continuously review and monitor its corporate governance measures to ensure compliance with the CG Code.

## **MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has made specific enquiries to all the Directors, and each Director has confirmed that he/she has adhered to the prescribed standards as set out in the Model Code from the listing date to the date of this announcement and has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as his/her code of conduct for securities transactions. The Company has been following the Model Code since its listing date. During the Reporting Period, no breach of the Model Code by Directors and employees was found. The Company continuously ensures compliance with the Code of Conduct.

## **FINAL DIVIDEND**

The Board does not recommend the payment of the final dividend for the year ended 31 December 2023 (for the year ended 31 December 2022: Nil).

## **AUDIT COMMITTEE**

The Company has established an audit committee and developed written terms of reference in accordance with Rule 3.21 to 3.23 of the Listing Rules. The Audit Committee comprises three members, being Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao. The Audit Committee is chaired by Ms. Wong Yan Ki, Angel, who has appropriate professional qualifications as an independent non-executive director.

The Audit Committee has reviewed the consolidated financial statements of the Group and the accounting principles and policies adopted by the Group for the year ended 31 December 2023 with the management of the Company and met with the independent auditor, BDO Limited.

## **SCOPE OF WORK OF AUDITOR**

The financial figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an audit, review or other 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. Consequently, no assurance has been expressed by the auditor on this announcement.

## **SUFFICIENT PUBLIC FLOAT**

Based on the publicly available information of the Company and to the best knowledge of our Directors, as at the date of this announcement, the Company has maintained the required percentage of public float under the Listing Rules.

## **PRE-EMPTIVE RIGHTS**

There is no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Friday, 21 June 2024 (the "AGM"). Notice of the AGM will be published and dispatched to the shareholders of the Company in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 18 June 2024 to Friday, 21 June 2024 (both dates inclusive), during that period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 17 June 2024 for registration.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The annual results announcement is published on the Company's website ([www.manyidea.cloud](http://www.manyidea.cloud)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report for the year ended 31 December 2023 will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Many Idea Cloud Holdings Limited**  
**Liu Jianhui**  
*Chairman of the Board*

Hong Kong, 20 March 2024

*As at the date of this announcement, the Board comprises Mr. Liu Jianhui, Ms. Qu Shuo, Mr. Chen Shancheng and Mr. Chen Zeming as executive Directors, Ms. Liu Hong as the non-executive Director, and Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin as independent non-executive Directors.*