

# Weimob 微盟

## WEIMOB INC. 微盟集團\*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2013

### Interim Report 中期報告 2024



\*For identification purpose only 僅供識別



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# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

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

### Independent Non-executive Directors

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

## JOINT COMPANY SECRETARIES

Mr. CAO Yi  
Ms. NG Sau Mei (*FCG, HKFCG*)

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## AUDITOR

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

## LEGAL ADVISORS

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

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

## PRINCIPAL BANKERS

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

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

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



## CORPORATE INFORMATION

### AUTHORIZED REPRESENTATIVES

Mr. SUN Taoyong  
Ms. NG Sau Mei

### REGISTERED OFFICE

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

### HONG KONG SHARE REGISTRAR

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

### STOCK CODE

2013

### COMPANY'S WEBSITE

[www.weimob.com](http://www.weimob.com)

# FINANCIAL HIGHLIGHTS

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Six months ended June 30,		Year-on-year change
	2024 (Unaudited)	2023 (Unaudited)	
	<i>(RMB in millions, except percentages)</i>		
Revenue	867.4	1,209.6	(28.3%)
Gross profit	575.9	816.3	(29.4%)
Operating loss	(287.3)	(385.3)	(25.4%)
Loss before income tax	(547.1)	(438.4)	24.8%
Loss for the period	(569.8)	(469.6)	21.3%
Non-HKFRS Measures:			
Adjusted loss before interest, tax, depreciation and amortization	(52.8)	(65.9)	(19.8%)
Adjusted net loss	(46.4)	(249.5)	(81.4%)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at June 30, 2024 (Unaudited)	As at December 31, 2023 (Audited)	Change
		<i>(RMB in millions, except percentages)</i>	
Assets			
Non-current assets	2,985.5	3,038.1	(1.7%)
Current assets	4,485.6	4,830.0	(7.1%)
Total assets	7,471.1	7,868.1	(5.0%)
Equity			
Capital and reserves attributable to the equity holders of the Company	2,427.8	2,700.2	(10.1%)
Non-controlling interests	82.8	102.1	(18.9%)
Total equity	2,510.6	2,802.3	(10.4%)
Liabilities			
Non-current liabilities	357.7	641.4	(44.2%)
Current liabilities	4,602.8	4,424.4	4.0%
Total liabilities	4,960.5	5,065.8	(2.1%)
Total equity and liabilities	7,471.1	7,868.1	(5.0%)



# CHAIRMAN'S STATEMENT

## RESULTS HIGHLIGHTS FOR THE FIRST HALF OF 2024

During the first half of 2024, amidst a challenging market environment, we persistently refined our business structure, bolstered our innovation capabilities, enhanced operational efficiency, and strengthened our financial fundamentals by focusing on cost reduction and efficiency enhancement in core businesses, and anchored the road of high-quality development.

During the first half of 2024, the Group's total revenue amounted to RMB867 million, representing a decrease of 28.3% as compared with the same period of last year, which was primarily due to our strategic focus on our core business and cost reduction and efficiency enhancement. Additionally, we proactively downsized non-core and lower-profit operations to streamline the business and reduce overall costs and expenses. In respect of Subscription Solutions, we disposed our Smart Catering business in May of the previous year and ceased consolidating its revenue. In addition, we have reduced our investment in the WeiMall business and other small and micro business. We have also scaled back the number of cities involved in direct sales and decreased the proportion of low-profit customer groups. In respect of Merchant Solutions, we reduced low-profit businesses such as TSO service and finance, and focused more on advertisers' placement serving business. At the same time, the rebate ratio we received from advertising platforms has decreased and there was a certain time difference in the process of transmitting it to downstream advertisers.

Our gross profit decreased by 29.4% from approximately RMB816 million in the first half of last year to approximately RMB576 million, and the overall gross margin was stable. The reduction in revenue during the first half of 2024 counterbalanced the cost savings achieved through business streamlining and organization optimization. The adjusted loss before interest, tax, depreciation and amortization was approximately RMB53 million, representing a significant decrease of 19.8% as compared with the same period of last year. The adjusted net loss was approximately RMB46 million, representing a sharp decrease of 81.4% as compared with the same period of last year, which was primarily driven by robust demand for advertising within Merchant Solutions, which bolstered the recovery of gross profit and profitability. Additionally, ongoing cost reduction and efficiency enhancement measures effectively controlled costs and expenses.

During the first half of 2024, our operational cash flows turned positive, significantly improving to an inflow of RMB30 million from an outflow of approximately RMB660 million in the corresponding period of last year, and we have achieved the second consecutive half-year of positive cash flows, which was mainly due to the further optimization of cash flows from Merchant Solutions and the significant narrowing of losses from Subscription Solutions. As of June 30, 2024, the Group has repurchased all of the convertible bonds issued in 2021, with an aggregate principal amount of US\$300 million, effectively reducing its own asset-liability ratio and current liabilities, and significantly improving the Group's capital structure. As of June 30, 2024, the cash and bank deposit balances of the Group were approximately RMB1,772 million, reflecting a healthy cash and financial position.



## CHAIRMAN'S STATEMENT

During the first half of 2024, our revenue from Subscription Solutions was approximately RMB487 million, representing a year-on-year decrease of 31.0%. The number of paying merchants also decreased by 31.3% year-on-year to 68,725. The above reduction was primarily due to the disposal of our Smart Catering business and a strategic reduction in investment in small and micro merchants. Additionally, the merchant turnover rate was impacted by the deferred effects from the previous year. We focused more on key accounts businesses such as Smart Retail, resulting in a 0.5% year-on-year increase in the Average Revenue Per User (ARPU) to RMB7,083. Our revenue from Smart Retail was RMB304 million, representing a year-on-year decrease of 2.6% and an organic year-on-year increase of 3.1%. The proportion of revenue from Smart Retail to revenue from Subscription Solutions increased to 62.4%.

During the first half of 2024, our gross revenue from Merchant Solutions for assisting merchants in advertising amounted to approximately RMB8,342 million, representing a year-on-year increase of 19.4%. We have expanded our reach into a broader spectrum of channels, industries, and customer segments. We have secured a market-leading position in Tencent Advertising and Video Accounts Advertising, while also achieving substantial growth in advertising platforms such as Kuaishou and Little Red Book. During the same period, we recorded business revenue of approximately RMB381 million, representing a year-on-year decrease of 24.5%; the gross profit margin increased from 69.4% to 74.5%; the number of paying merchants decreased by 4.4% to 38,706; and the average spend per advertiser increased by 24.9% to RMB215,516, mainly due to that we reduced our revenue from non-primary businesses such as TSO service and finance with low profit and cut the corresponding costs.

During the Reporting Period, we persistently pursued the integration of AI technology with our core business. Weimob WAI has deeply applied over 10 large models and has been launched on the Definesys PaaS platform. The combination of "AI + PaaS" has significantly bolstered Weimob WAI's market presence. During the Reporting Period, Weimob WAI has encompassed front-office functions including setup, marketing, operations, and customer service for merchants within the SaaS business sector, which satisfied diverse needs of merchants in various scenarios, such as online store launches, content marketing, and private domain operations. In the field of marketing business, Weimob WAI's intelligent creation capabilities have covered all-domain marketing scenarios with mature model capabilities in home decoration, finance, education, tourism and other industries. During the Reporting Period, we launched WAI Pro, an enterprise-level AI large model application product. This product offers three types of AI application technologies, i.e., "marketing insight, content creation and business consultation", to those enterprise-level customers who need marketing creation.

The Group maintained close cooperation with Tencent ecosystem. The case of "Weimob WOS New Business Operating System to Build Cloud Business Service Ecology" jointly declared with Tencent Cloud was successfully selected among the first batch of "Deep Cloud Pioneer Cases" by China Academy of Information and Communications Technology. It won the award of "Benchmarking Service Provider of the Year" for all-domain digital operation of Tencent Smart Retail in 2023, and also won the "2023 Excellent ISV Partner of WeCom" officially selected by WeCom. In the field of enterprise services, Weimob was honored to be listed in the "2023-2024 Forbes Beauty Top 100 Brands" published by Forbes China, and was awarded the title of "2023 China ToB Industry Influential Value Ranking – Strength and Pioneer Enterprise". In the field of marketing, Weimob Marketing was awarded the certification mark of "SGGXHIS Class 1 Digital Advertising Enterprise" by Shanghai Advertising Association, and won three awards, namely "2024 Leader Partner", "2024 Outstanding Partner in Terms of Regional Channel" and "2024 Dark Horse Partner in Terms of Vertical Channel" from Kuaishou Magnetic Engine.

### BUSINESS REVIEW

In the challenging market environment, we are committed to maximizing cost-effectiveness through technological innovation and efficient operations, and laying a solid foundation for sustainable business development through innovative revenue model exploration, forward-looking layout and intelligent solutions. Our key performances of the principal businesses and products during the Reporting Period are set out as below:

#### I. Subscription Solutions

Our revenue from Subscription Solutions was RMB487 million, representing a year-on-year decrease of 31.0%; the gross profit reached RMB292 million, the gross margin reached 60.1%, and the gross profit decreased by 37.3% year-on-year; the number of paying merchants was 68,725, and the ARPU was RMB7,083.

In terms of Smart Retail, as of June 30, 2024, our revenue was RMB304 million, representing a year-on-year decrease of 2.6% and an organic year-on-year increase of 3.1%, accounting for 62.4% of the revenue from Subscription Solutions, and the number of merchants reached 8,011, among which there were 1,307 brand merchants, and the average order revenue per user of brand merchants was RMB191 thousand.

During the Reporting Period, we further increased our influence in the key accounts merchants market, accounting for 47% of the Top 100 Fashion Retailers in China, 43% of the Top 100 Commercial Real Estate Companies and 40% of the Top 100 Convenience Store Chains, and the number of key accounts merchants applying our "Membership + WeCom" services increased by 11% year-on-year, while the number of customers who cooperated with us for more than 3 products per year increased by 51% year-on-year. We focused on the value of key accounts merchants and also helped partner brands achieve high-quality growth. The number of customers with over 5 million members served by Weimob increased by 50% year-on-year, while the number of customers with 3 million to 5 million members served by Weimob increased by 14% year-on-year.

Meanwhile, we are deeply committed to the industries in which we have advantages, and have co-created and developed effective "industry solutions" with leading partners in the industry, and accelerated the penetration of industry market share and Top 100 merchants through our industry-based distribution system. During the Reporting Period, we continuously penetrated and maintained a leading position in the apparel, fast-moving consumer goods and building materials industries. The percentage of the number of merchants which we worked with in the Top 100 Merchants was 43%, 21% and 19%, respectively, and the year-on-year growth was 19%, 163% and 111%, respectively.

Besides, we focused on scenarios such as wholesale, local life and online store traffic attraction. Based on Weimob WOS, we integrated Weimob's own products with the capabilities of ecological partners to form scenario solutions that were more suitable for various types of customers. Through these solutions, we further met the needs of customers and further broadened the customer types. During the Reporting Period, we launched two scenario solutions, namely Wholesale Town and Local Life, to achieve in-depth landing on vertical scenarios.

In terms of Smart Hotel and Tourism, the tourism market showed a strong growth momentum in the first half of 2024, driving the recovery of related industries such as transportation, catering and accommodation. During the Reporting Period, the GMV of Honeybird WeChat Mall business was RMB670 million. At the same time, the newly expanded TikTok market has maintained rapid growth, and in the first half of 2024, the GMV reached RMB140 million, representing a year-on-year increase of 101%.





## CHAIRMAN'S STATEMENT

### II. Merchant Solutions

The revenue from Merchant Solutions was approximately RMB381 million, representing a year-on-year decrease of 24.5%; the gross profit was RMB284 million, and the gross profit margin increased from 69.4% to 74.5%. In the first half of 2024, the gross revenue from advertisements placed by merchants as facilitated by Weimob Marketing amounted to approximately RMB8,342 million, representing a year-on-year increase of 19.4%. The number of paying merchants for Merchant Solutions decreased by 4.4% to 38,706, and the average spend per advertiser was RMB215,516, representing an increase of 24.9%. As the commercialization of video accounts accelerated, Weimob has expanded its leading edge in the advertising business, driving rapid growth in gross revenue and gross profit margin.

Weimob Marketing is committed to the horizontal integration and vertical deepening of digital marketing business, helping brands achieve all-domain operation and value enhancement, and exploring broader business opportunities. We continued to deeply cultivate the Tencent Advertising, including video accounts, and maintained our leading advantage in the Tencent Advertising. During the Reporting Period, Weimob's Tencent Advertising market consumption increased by 19% year-on-year.

In the footwear and clothing fashion industry, we have partnered with Tencent Advertising to launch the "Clothing Industry GGP Growth Plan", which aims to support the all-domain business growth of clothing brands through all-domain integrated marketing, live streaming operations of video accounts and integrated online and offline operations. In the automotive industry, we have partnered with Tencent Advertising to create the "In-store Marketing Plan for the Automotive Industry" to enhance brand in-store transactions and promote the upgrading of automotive industry marketing. After piloting the "In-store Marketing Plan for the Automotive Industry" for six months, SAIC Audi has seen a more than threefold increase in test drive rates and a more than 50% reduction in test drive costs.

In terms of video accounts influencers, Weimob Marketing has provided services for over 70% annual video accounts influencers. Behind the live streaming of video accounts influencers with a single GMV of more than RMB20 million, Weimob Marketing participated in about 60% of them. In the live streaming of video accounts influencers with whom Weimob Marketing has cooperated, the average GMV per session exceeded RMB1 million. In June 2024, Weimob Marketing also launched a comprehensive capability support project for video account influencers called "Ten Million Influencer Growth Plan", further consolidating Weimob Marketing's advantages in the fields of video accounts live streaming e-commerce and influencer sales.

In addition to deeply cultivating the Tencent ecosystem, we continued to develop diversified channels such as Kuaishou and Little Red Book to help merchants achieve all-domain operation and product efficiency growth, and continued to expand Weimob's revenue sources. Currently, Weimob has obtained the authorization of Kuaishou Magnetic Engine Effect Agent, Kuaishou Magnetic Taurus Service Provider, Kuaishou Investment Franchise Agent, and Kuaishou Health Industry License; and it has also won the authorization of Kuaishou Magnetic Engine Regional Agent in 8 regions including Shanghai, Zhejiang, Shandong, Guangdong, Shaanxi, Sichuan, Beijing and Chongqing, and has fully opened up multi-channel business lines with Kuaishou. In the first half of 2024, the annual consumption of Weimob Marketing's service merchants in Kuaishou increased by 78% year-on-year.

In the Little Red Book ecosystem, Weimob Marketing persistently focused on key sectors like apparel, beauty, and fast-moving consumer goods, establishing benchmark cases and influencing mid-tier brands. During the Reporting Period, Weimob Marketing has helped brand customers from the apparel, beauty, fast-moving consumer goods and other industries to complete efficient exploration in Little Red Book, with the annual consumption increasing by 152% year-on-year.

### BUSINESS OUTLOOK

- 1. Focusing on scenarios to promote the commercialization of AI applications and leveraging enterprise level of AI services:** Providing values to enterprises in vertical scenarios is the core of AI commercialization. As an enterprise-level AI service provider, Weimob will closely follow the industry opportunities of enterprise-level of AI applications, connect the supply and demand ends of large model technologies, and open up the last mile from technological innovation to industrial implementation. In addition, Weimob will also continue to enrich the AI product matrix of ToB and ToC, empower customers in different industries through multi-dimensional capability advantages and in-depth industry experience, and activate the business vitality of small and micro industries, thereby exploring more market opportunities.
- 2. Actively exploring overseas markets and helping enterprises' globalization strategy:** In terms of overseas marketing, Weimob will launch independent overseas marketing products such as WeimobGRO based on its accumulation in the e-commerce industry to form a marketing and promoting product application matrix, aiming to tap into overseas market growth through independent stations. In terms of AI going global, we plan to localize and adapt our large model AI application products overseas, replicate Weimob's product technology capabilities and mature industry experience to overseas markets, and strengthen intelligent operations for merchants with the driving force of technology.
- 3. Increasing revenue model, reducing costs, enhancing efficiency and optimizing financial performance:** By driving innovation and promoting business model development, we can continue to stay ahead in an intensely competitive market. In the second half of 2024, we will further focus on our core business, cut the corresponding costs and sales expenses, improve business operations and personnel efficiency, and continuously enhance the stability and reliability of revenue quality. We will provide an entry-level product for small and medium-sized e-commerce enterprises, with features that can be flexibly combined as needed and sold online. We will continue to iterate the product functions, enrich the product matrix to attract more subscriptions. We will also actively promote the conversion of cloud service fee customers, provide better services and operations, and tap into the value-added potential of our customers.
- 4. Adhering to the strategy of key accounts merchants vertically, and accelerating penetration into various industries:** We will deepen cooperation with leading merchants in various industries, especially accelerating penetration into the apparel and fast-moving consumer goods industries. We will also further expand our industry solutions to cover more vertical fields and achieve mutual benefits with enterprise digitalization. We will look into the vertical scenario needs of customers in various industries, giving priority to optimizing customer operation capabilities in scenario solutions, while perfecting customer portrait information and automating the marketing process. As Weimob Cloud continues to open up its front-end and back-end expansion capabilities, developers are expected to participate in scenario development together. In this regard, we can not only quickly meet customer needs, but also promote the positive cycle of development ecosystem.
- 5. Deeply cultivating the Tencent ecosystem and exploring the opportunities of the video accounts platform in a multi-dimensional way:** We will focus on diversified business scenarios such as advertising, e-commerce and live streaming, and strengthen our capability deployment. We are committed to deeply cultivating the Tencent Advertising ecosystem and grasping the emerging opportunities of video accounts. Leveraging the unique advantages of emerging social media platforms such as video accounts, we will create all-round marketing solutions for brands by integrating multi-channel resources and innovative technologies, aiming to realize efficient interactions and in-depth connections between brands and consumers.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	<b>867,434</b>	1,209,570
Cost of sales	<b>(291,529)</b>	(393,313)
<b>Gross profit</b>	<b>575,905</b>	816,257
Selling and distribution expenses	<b>(565,260)</b>	(844,056)
General and administrative expenses	<b>(287,008)</b>	(380,009)
Net impairment losses on financial assets	<b>(4,810)</b>	(39,272)
Other income	<b>21,040</b>	50,504
Other (losses)/gains, net	<b>(27,190)</b>	11,279
<b>Operating loss</b>	<b>(287,323)</b>	(385,297)
Finance costs	<b>(212,986)</b>	(79,971)
Finance income	<b>8,097</b>	20,857
Share of net (losses)/profits of associates accounted for using the equity method	<b>(450)</b>	1,198
Change in fair value of convertible bonds	<b>(54,483)</b>	4,778
<b>Loss before income tax</b>	<b>(547,145)</b>	(438,435)
Income tax expenses	<b>(22,697)</b>	(31,196)
<b>Loss for the period</b>	<b>(569,842)</b>	(469,631)
<b>Loss attributable to:</b>		
– Equity holders of the Company	<b>(550,784)</b>	(452,235)
– Non-controlling interests	<b>(19,058)</b>	(17,396)
	<b>(569,842)</b>	(469,631)

## MANAGEMENT DISCUSSION AND ANALYSIS

### Key Operating Data

The following table sets forth our key operating data for the six months ended/as of June 30, 2024 and 2023.

	Six months ended/as of June 30,	
	2024	2023
<b>Subscription Solutions</b>		
Addition in number of paying merchants	8,515	13,337
Number of paying merchants	68,725	100,092
Attrition rate <sup>(1)</sup>	9.2%	12.9%
ARPU <sup>(2)</sup> (RMB)	7,083	7,047
<b>Merchant Solutions</b>		
Number of paying merchants	38,706	40,494
Revenue (RMB in millions)	380.6	504.2
ARPU (RMB)	9,835	12,452
Gross billing (RMB in millions)	8,341.8	6,987.8

Notes:

- (1) Refers to the number of paying merchants not retained over a period divided by the number of paying merchants as of the end of the previous period.
- (2) Refers to the average revenue per paying merchant, which equals revenue of Subscription Solutions for the period divided by the number of paying merchants as of the end of such period.

### Key Financial Ratios

	Six months ended June 30,	
	2024	2023
	Per financial statements	Per financial statements
	%	%
Total revenue growth	(28.3)	34.5
Gross margin <sup>(1)</sup>	66.4	67.5
Adjusted EBITDA margin <sup>(2)</sup>	(6.1)	(5.4)
Net margin <sup>(3)</sup>	(65.7)	(38.8)
Adjusted net margin <sup>(4)</sup>	(5.3)	(20.6)

Notes:

- (1) Equals gross profit divided by revenue for the period and multiplied by 100%.
- (2) Equals adjusted EBITDA divided by revenue for the period and multiplied by 100%. For the reconciliation from operating loss to EBITDA and adjusted EBITDA, see "Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Loss" below.
- (3) Equals net (loss)/profit divided by revenue for the period and multiplied by 100%.
- (4) Equals adjusted net (loss)/profit divided by revenue for the period and multiplied by 100%. For the reconciliation from net (loss)/profit to adjusted net (loss)/profit, see "Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Loss" below.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

Our total revenue decreased by 28.3% from RMB1,209.6 million in the six months ended June 30, 2023 to RMB867.4 million in the six months ended June 30, 2024, primarily due to the decrease in our revenue generated from both our Subscription Solutions and Merchant Solutions. The following table sets forth a breakdown of our revenue by business segments for the periods indicated.

Revenue	Six months ended June 30,			
	2024 (Unaudited)	%	2023 (Unaudited)	%
	<i>(RMB in millions, except percentages)</i>			
– Subscription Solutions	486.8	56.1	705.4	58.3
– Merchant Solutions	380.6	43.9	504.2	41.7
<b>Total</b>	<b>867.4</b>	<b>100.0</b>	1,209.6	100.0

### Subscription Solutions

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

Revenue from Subscription Solutions decreased by 31.0% from RMB705.4 million in the six months ended June 30, 2023 to RMB486.8 million in the six months ended June 30, 2024. In the first half of 2024, the Company streamlined our Subscription Solutions business and focused more on core business lines such as WeiMall and Smart Retail by cutting non-core business lines like Smart Catering (智慧餐飲) and downsizing Subscription Solutions services to low-ARPU and low-margin customers.

Due to the direct impact of the above-mentioned business restructuring, revenue from Subscription Solutions decreased by RMB218.6 million, and expenses also decreased (see “Selling and Distribution Expenses” and “General and Administrative Expenses” below).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Merchant Solutions

	Six months ended June 30,		Year-on-year change
	2024 <i>(Unaudited)</i>	2023 <i>(Unaudited)</i>	
	<i>(RMB in millions, except percentages)</i>		
<b>Merchant Solutions</b>			
Gross billing	<b>8,341.8</b>	6,987.8	19.4%
Revenue	<b>380.6</b>	504.2	(24.5%)

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

Gross billing from our Merchant Solutions increased from RMB6,987.8 million in the six months ended June 30, 2023 to RMB8,341.8 million in the six months ended June 30, 2024, primarily due to the increase in the average spend per advertiser.

Revenue from Merchant Solutions represents net rebate earned from advertising platforms by providing services to enable merchants to acquire online customer traffic, commission from targeted marketing operation service as well as fees and commission from TSO service. It decreased by 24.5% from RMB504.2 million in the six months ended June 30, 2023 to RMB380.6 million in the six months ended June 30, 2024, primarily as a result of the decrease in net rebate earned from advertising platforms, as well as the decrease in our revenue from TSO service and credit technology services due to business restructuring in which we downsized two business lines.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Cost of Sales

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

	Six months ended June 30,			
	2024 <i>(Unaudited)</i>		2023 <i>(Unaudited)</i>	
<i>(RMB in millions, except percentages)</i>				
<b>Cost of sales</b>				
Advertising traffic cost	42.8	14.7%	63.1	16.0%
Staff costs	27.1	9.3%	47.4	12.1%
Broadband and hardware costs	13.6	4.7%	23.3	5.9%
Operation services costs	100.0	34.3%	135.4	34.4%
Amortization of intangible assets	99.5	34.1%	117.6	29.9%
Taxes and surcharges	7.5	2.6%	5.3	1.3%
Depreciation and amortization	1.0	0.3%	1.2	0.4%
<b>Total</b>	<b>291.5</b>	<b>100.0%</b>	393.3	100.0%

Our cost of sales decreased by 25.9% from RMB393.3 million in the six months ended June 30, 2023 to RMB291.5 million in the six months ended June 30, 2024, primarily due to (i) the decrease in staff costs by RMB20.3 million, amortization of intangible assets by RMB18.1 million, and operation service costs by RMB35.4 million, all due to organization optimization and control on staff headcount; and (ii) the decrease in TSO service related advertising traffic costs by RMB20.3 million.

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

	Six months ended June 30,			
	2024 <i>(Unaudited)</i>		2023 <i>(Unaudited)</i>	
<i>(RMB in millions, except percentages)</i>				
<b>Cost of sales</b>				
– Subscription Solutions	194.4	66.7%	239.0	60.8%
– Merchant Solutions	97.1	33.3%	154.3	39.2%
<b>Total</b>	<b>291.5</b>	<b>100.0%</b>	393.3	100.0%

## MANAGEMENT DISCUSSION AND ANALYSIS

### Subscription Solutions

Cost of sales of our Subscription Solutions decreased by 18.7% from RMB239.0 million in the six months ended June 30, 2023 to RMB194.4 million in the six months ended June 30, 2024, primarily due to (i) the decrease in amortization of intangible assets from RMB117.6 million in the six months ended June 30, 2023 to RMB99.5 million in the six months ended June 30, 2024; (ii) the decrease in staff costs from RMB45.4 million in the six months ended June 30, 2023 to RMB27.1 million in the six months ended June 30, 2024 as a result of the continuing organization optimization since 2023; and (iii) the decrease in broadband and hardware costs from RMB23.3 million in the six months ended June 30, 2023 to RMB13.6 million in the six months ended June 30, 2024.

### Merchant Solutions

Cost of sales of our Merchant Solutions decreased by 37.1% from RMB154.3 million in the six months ended June 30, 2023 to RMB97.1 million in the six months ended June 30, 2024, primarily due to the decrease in advertising traffic costs and contract operation services costs, which was in line with the decline in revenue from TSO service and sales commission revenue from credit technology solutions.

### Gross Profit and Gross Margin

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

	Six months ended June 30,			2023		
	2024		Gross margin	Gross profit	%	Gross margin
Gross profit	%	Gross profit				
	<i>(Unaudited)</i>			<i>(Unaudited)</i>		
	<i>(RMB in millions, except percentages)</i>					
– Subscription Solutions	292.4	50.8	60.1%	466.4	57.1	66.1%
– Merchant Solutions	283.5	49.2	74.5%	349.9	42.9	69.4%
<b>Total</b>	<b>575.9</b>	<b>100.0</b>	<b>66.4%</b>	816.3	100.0	67.5%

Our overall gross profit decreased by 29.4% from RMB816.3 million in the six months ended June 30, 2023 to RMB575.9 million in the six months ended June 30, 2024.

Our overall gross margin decreased from 67.5% in the six months ended June 30, 2023 to 66.4% in the six months ended June 30, 2024.

The gross margin of our Subscription Solutions decreased from 66.1% in the six months ended June 30, 2023 to 60.1% in the six months ended June 30, 2024, primarily due to the decline in revenue from Subscription Solutions as a result of business restructuring, while the cost was more related to the research and development investment and therefore less impacted.

The gross margin of our Merchant Solutions increased from 69.4% in the six months ended June 30, 2023 to 74.5% in the six months ended June 30, 2024, primarily due to the change in revenue mix where the high margin target marketing net rebate revenue represented 82.6% of the revenue from Merchant Solutions as compared with 74.7% in the comparative period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Selling and Distribution Expenses

Our selling and distribution expenses decreased by 33.0% from RMB844.1 million in the six months ended June 30, 2023 to RMB565.3 million in the six months ended June 30, 2024, primarily due to the following items: (i) the decrease in contract acquisition cost from RMB268.0 million in the six months ended June 30, 2023 to RMB83.9 million in the six months ended June 30, 2024, which was in line with the decrease in revenue due to business restructuring; (ii) the decrease in staff costs from RMB440.4 million in the six months ended June 30, 2023 to RMB382.6 million in the six months ended June 30, 2024 as a result of the organization optimization since 2023; and (iii) the decrease in online and offline marketing expenses from RMB73.7 million in the six months ended June 30, 2023 to RMB40.7 million in the six months ended June 30, 2024.

### General and Administrative Expenses

Our general and administrative expenses decreased by 24.5% from RMB380.0 million in the six months ended June 30, 2023 to RMB287.0 million in the six months ended June 30, 2024, primarily due to (i) the decrease in research and development and administrative staff costs from RMB279.7 million in the six months ended June 30, 2023 to RMB221.7 million in the six months ended June 30, 2024; and (ii) cost saving related to rental, property, depreciation and amortization expenses from RMB73.5 million to RMB39.3 million in the comparative periods.

### Research and Development Expenditure

	<b>Six months ended/as of June 30,</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>(RMB in millions)</i>	
<b>Research and development expenditure</b>		
Research and development expenditure capitalized in development cost & intangible assets	<b>55.4</b>	119.5
Research and development expenditure in general & administrative expenses	<b>178.4</b>	199.7
<b>Total research and development expenditure</b>	<b>233.8</b>	319.2

Our research and development expenditure decreased by 26.8% from RMB319.2 million in the six months ended June 30, 2023 to RMB233.8 million in the six months ended June 30, 2024, primarily due to the decrease in staff headcount from 1,471 as of June 30, 2023 to 817 as of June 30, 2024 as a result of organization optimization.

### Net Impairment Losses on Financial Assets

We had net impairment losses on financial assets of RMB4.8 million in the six months ended June 30, 2024, primarily due to the general and specific provision for credit losses from our receivables of RMB24.8 million netting off the recovery of specific provision of RMB20.0 million from our targeted marketing customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other Income

Our other income decreased from RMB50.5 million in the six months ended June 30, 2023 to RMB21.0 million in the six months ended June 30, 2024, primarily due to the decrease in super deduction of input VAT as a result of the termination of the related tax policy.

### Other Losses, net

We had other net losses of RMB27.2 million in the six months ended June 30, 2024, primarily due to the foreign exchange losses of RMB19.4 million mainly from the currency exchange for the repurchase of convertible bonds and the fair value loss on our investments.

### Operating Loss

As a result of the foregoing, our operating loss decreased from RMB385.3 million in the six months ended June 30, 2023 to RMB287.3 million in the six months ended June 30, 2024.

### Finance Costs

Our finance costs increased from RMB80.0 million in the six months ended June 30, 2023 to RMB213.0 million in the six months ended June 30, 2024, primarily due to the adjustment of amortization cost arising from our early redemption of the convertible bonds issued by the Bond Issuer and listed on the Stock Exchange in June 2021 (the “**2021 Convertible Bonds**”) of RMB137.8 million.

### Finance Income

Our finance income decreased from RMB20.9 million in the six months ended June 30, 2023 to RMB8.1 million in the six months ended June 30, 2024, primarily due to the decrease in interest income from our bank deposits.

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

We recorded share of net losses of associates accounted for using the equity method of RMB0.5 million as of June 30, 2024, which represented our share of losses from equity investment funds.

### Change in Fair Value of Convertible Bonds

We recorded a loss of RMB54.5 million in change in fair value of convertible bonds as of June 30, 2024 due to the unfavorable changes in fair value of the convertible bonds issued in 2024.

### Income Tax Expense

We recorded income tax expense of RMB22.7 million in the six months ended June 30, 2024, primarily due to the decrease in taxable income of our subsidiaries in the PRC, which led to the decrease in current income tax expense.

### Loss for the Period

As a result of the foregoing, we recorded a loss of RMB569.8 million in the six months ended June 30, 2024 while we recorded a loss of RMB469.6 million in the six months ended June 30, 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Loss

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

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

The following tables reconcile our adjusted EBITDA and adjusted net (loss)/profit for the periods presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS, which are operating loss for the period and net loss for the period:

	For the six months ended June 30, 2024 (unaudited)									
	As reported	Share-based compensation	Convertible Bonds related costs	2021 related to the convertible bonds issued in 2024	Fair value changes and one-off expenses	Amortization of intangible assets <sup>(1)</sup>	One-off severance compensation	Others	Tax effects	Non-GAAP
<b>Gross profit</b>	575.9					0.9				576.8
<b>Gross margin</b>	66.4%									66.5%
Subscription Solutions	60.1%									60.3%
Merchant Solutions	74.5%									74.5%
<b>Operating profit/(loss)</b>	(287.3)	14.2	6.7			20.6	55.4			(190.4)
Operating margin	(33.1%)									(21.9%)
<b>EBITDA</b>	(201.1)	14.2	6.7	71.9			55.4			(52.8)
EBITDA margin	(23.2%)									(6.1%)
<b>Net loss</b>	(569.8)	14.2	335.6	71.9		20.6	55.4	2.9	22.7	(46.4)
Net margin	(65.7%)									(5.3%)
<b>Net loss attributable to equity holders of the Company</b>	(550.8)	14.2	335.6	71.9		12.5	55.4	2.9	23.8	(34.4)
Net margin attributable to equity holders of the Company	(63.5%)									(4.0%)

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2023 (unaudited)

Adjustments  
(RMB in millions, unless specified)

	As reported	Share-based compensation	2021 Convertible Bonds related costs	Fair value changes related to the convertible bonds issued in 2020	Amortization and impairment of intangible assets	One-off severance compensation	Others	Tax effects	Non-GAAP
Gross profit	816.3				2.3				818.6
Gross margin	67.5%								67.7%
Subscription Solutions	66.1%								66.4%
Merchant Solutions	69.4%								69.4%
Operating profit/(loss)	(385.3)	56.2	57.4		22.0	4.7			(245.0)
Operating margin	(31.9%)								(20.3%)
EBITDA	(179.4)	56.2	57.4	(4.8)		4.7			(65.9)
EBITDA margin	(14.8%)								(5.4%)
Net loss	(469.6)	56.2	106.6	(4.8)	22.0	4.7	4.2	31.2	(249.5)
Net margin	(38.8%)								(20.6%)
Net loss attributable to equity holders of the Company	(452.2)	56.2	106.6	(4.8)	13.5	4.7	4.2	32.5	(239.3)
Net margin attributable to equity holders of the Company	(37.4%)								(19.8%)

### Note:

- (1) Refers to amortization resulting from acquisition. This includes amortization of intangible assets from cost of sales of RMB0.9 million, from selling and distribution expenses of RMB11.6 million, and from general and administrative expenses of RMB8.1 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and Financial Resources

We fund our cash requirements principally from proceeds from our business operations, bank borrowings, other debt financing and shareholder equity contribution. As of June 30, 2024, we had cash and bank balances of RMB1,771.7 million. The details are as below:

*RMB in millions*

#### Current assets

Financial assets at fair value through profit or loss

Bank wealth management products	18.7
Restricted cash*	518.3
Cash and cash equivalents	1,213.7

<b>Subtotal</b>	<b>1,750.7</b>
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#### Non-current assets

Term deposits	21.0
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<b>Total cash and bank balances</b>	<b>1,771.7</b>
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\* Restricted cash mainly refers to cash deposited in offshore banks as a guarantee of domestic loans in Renminbi (onshore loans against offshore guarantees).

The following table sets forth our gearing ratios as of June 30, 2024 and June 30, 2023, respectively.

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<i>(RMB'000, except percentages)</i>	
Net debt	<b>947,855</b>	668,255
Total equity	<b>2,510,642</b>	3,070,270
Total capital	<b>3,458,497</b>	3,738,525
<b>Net debt to equity ratio</b>	<b>37.8%</b>	21.8%

## MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2024, we had bank loans of approximately RMB1,805.6 million. The table below sets forth our main short-term and long-term bank loans and letter of credit:

Bank	Loan balance (RMB in millions)	Loan period	2023 Interest rate (per annum unless otherwise stated)
<b>Short-term bank loans</b>			
Bank of Shanghai (Puxi Branch)	400	1 year	2.70%
Bank of China (Shanghai Gaojing Branch)	50	1 year	3.00%
China Construction Bank (Shanghai Baogang Baoshan Branch)	50	1 year	3.45%
Bank of Shanghai (Puxi Branch)	100	1 year	4.00%
HSBC Bank (China) Co., Ltd (Shanghai Branch)	30	6 mths	3.90%
China CITIC Bank (Shanghai Branch)	100	1 year	3.70%
China Zheshang Bank (Shanghai Branch)	70	6 mths	3.90%
Bank of Communications (Shanghai Baoshan Branch)	100	6 mths	3.20%
China CITIC Bank (Shanghai Branch)	100	9 mths	3.60%
Bank of Jiangsu (Shanghai Lingang Branch)	50	7 mths	3.86%
<b>Long-term bank loans – current portion</b>			
Bank of Shanghai (Puxi Branch)	135	1.5 years	4.20%
SPD Silicon Valley Bank Co., Ltd.	100	2 years	4.15%
SPD Silicon Valley Bank Co., Ltd.	80	13 mths	3.85%
China Zheshang Bank (Shanghai Branch)	29.95	1.5 years	5.20%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	8.85	14.98 years	4.00%
<b>Long-term bank loans</b>			
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	15.47	14.98 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	6.34	14.88 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	7.66	14.79 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	17.3	14.64 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	28.78	14.59 years	4.00%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	18.32	14.30 years	3.75%
Bank of Shanghai (Puxi Branch) Shanghai Pudong Development Bank (Changning Branch)	7.88	14.21 years	3.75%
<b>Letter of credit</b>			
Shanghai Pudong Development Bank (Changning Branch)	50	1 year	3.10%
China Everbright Bank (Shanghai Branch)	100	6 mths	2.50%
China Zheshang Bank (Shanghai Branch)	150	6 mths	3.05%

# MANAGEMENT DISCUSSION AND ANALYSIS

## Capital Expenditures

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

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

	Six months ended June 30,	
	2024	2023
	<i>(RMB in millions)</i>	
Fixed assets	45.2	66.3
Intangible assets	55.4	120.4
<b>Total</b>	<b>100.6</b>	186.7

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

There were no significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the six months ended June 30, 2024. Apart from those disclosed in this interim report, there were no future plans for material investments or additions of capital assets authorized by the Board as at the date of this interim report.

## Pledge of Assets

As of June 30, 2024, we have pledged land use rights and property, plant and equipment with the net carrying amount of RMB318,200,000 and RMB268,625,000 to secure the Group's long-term borrowings of RMB110,600,000. The Group is not allowed to pledge these assets as security for other borrowings.

## Foreign Exchange Risk Management

We mainly carry out our operations in the PRC with most transactions settled in Renminbi, and we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Therefore, foreign exchange risk primarily arose from our recognized assets and liabilities when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. In the six months ended June 30, 2024, we did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

## Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Employees

As of June 30, 2024, we had 3,952 full-time employees, the majority of whom are based in Shanghai, China. Within the total headcount, 1,225 are sales and marketing staff and 817 are research and development staff.

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

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

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

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.





## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its Shareholders and enhance its value and accountability. The Company has adopted the principles and code provisions as set out in the Corporate Governance Code.

During the six months ended June 30, 2024, the Company has complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision C.2.1 of the Corporate Governance Code.

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

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the six months ended June 30, 2024.

### INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended June 30, 2024.

### AUDIT COMMITTEE

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

The Audit Committee has reviewed the accounting policies adopted by the Company with the management. They also discussed risk management, internal controls of the Group and financial reporting matters, including having reviewed and agreed to the unaudited interim condensed consolidated financial statements for the period under review.

### CHANGES TO DIRECTORS' INFORMATION

Dr. SUN Mingchun resigned as an independent non-executive Director, members of the Audit Committee and the Nomination Committee and chairman of the Remuneration Committee with effect from January 16, 2024 due to personal work arrangement. Mr. GUO Junxian has been appointed as an executive Director with effect from January 16, 2024 and has confirmed that he has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on January 15, 2024 and understood his obligations as a director of the Company. Furthermore, Dr. LI Xufu has been appointed as the chairman of the Remuneration Committee, Ms. XU Xiao'ou has been appointed as members of the Audit Committee and the Remuneration Committee, and Mr. TANG Wei has been appointed as a member of the Nomination Committee, with effect from January 16, 2024.

Mr. GUO Junxian resigned as an executive Director with effect from August 21, 2024 due to personal work arrangement. Mr. FEI Leiming has been appointed as an executive Director with effect from August 21, 2024 and has confirmed that he has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on August 20, 2024 and understood his obligations as a director of the Company.

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

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended June 30, 2024, the Company has not purchased any of its Shares on the Stock Exchange pursuant to the share buy-back mandates approved by our Shareholders at the annual general meetings of the Company held on June 21, 2023 and May 10, 2024.

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

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

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares, if any) during the six months ended June 30, 2024.

## OTHER INFORMATION

### PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

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

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

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

In June 2021, the Bond Issuer completed the issue of the 2021 Convertible Bonds and raised net proceeds of approximately US\$293.6 million. As of June 30, 2024, the Company had utilized US\$202.0 million as intended. The table below sets out the details of actual usage of the net proceeds as of June 30, 2024:

<b>Use of proceeds</b>	<b>Net proceeds utilized up to June 30, 2024</b> <i>(US\$ million)</i>	<b>Unutilized net proceeds as of June 30, 2024</b> <i>(US\$ million)</i>	<b>Expected timeline of full utilization</b>
Improving the Group’s comprehensive research and development capabilities	55.2	91.6	By December 31, 2024
Upgrading the Group’s marketing system	44.0	–	Not applicable
Supplementing capital for potential strategic investment and merger and acquisition and working capital	58.8	–	Not applicable
General corporate purposes	44.0	–	Not applicable

## OTHER INFORMATION

In January 2023, the Company completed the placing of a total of 248,000,000 new Shares (the “2023 Placing”) and raised net proceeds of approximately HK\$1,568.7 million. As of June 30, 2024, the Company had utilized HK\$1,411.8 million as intended. The table below sets out the details of actual usage of the net proceeds as of June 30, 2024:

Use of proceeds	Net proceeds utilized up to June 30, 2024 <i>(HK\$ million)</i>	Unutilized net proceeds as of June 30, 2024 <i>(HK\$ million)</i>	Expected timeline of full utilization
Improving the Group’s comprehensive research and development capabilities	–	156.9	By December 31, 2025
Upgrading the Group’s marketing system	313.7	–	Not applicable
Supplementing working capital	470.6	–	Not applicable
General corporate purposes	627.5	–	Not applicable

In April 2024, the Company completed the 2024 Placing and raised net proceeds of approximately HK\$308.0 million. As of June 30, 2024, the Company had fully utilized such net proceeds as intended for refinancing of existing indebtedness. The table below sets out the details of actual usage of the net proceeds as of June 30, 2024:

Use of proceeds	Net proceeds utilized up to June 30, 2024 <i>(HK\$ million)</i>	Unutilized net proceeds as of June 30, 2024 <i>(HK\$ million)</i>	Expected timeline of full utilization
Refinancing of existing indebtedness	308.0	–	Not applicable

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

## OTHER INFORMATION

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

As of June 30, 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

#### Interests in Shares

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (%)	Long/short position
Mr. SUN Taoyong ("Mr. SUN")	Settlor of a discretionary trust <sup>(1)</sup> ;	411,834,000	13.38	Long position
	interest held jointly with other persons <sup>(2)</sup>	66,000,000	2.14	Short position
Mr. FANG Tongshu ("Mr. FANG")	Interest in controlled corporation <sup>(3)</sup> ;	411,834,000	13.38	Long position
	interest held jointly with other persons <sup>(2)</sup>	66,000,000	2.14	Short position
Mr. YOU Fengchun ("Mr. YOU")	Settlor of a discretionary trust <sup>(4)</sup> ;	411,834,000	13.38	Long position
	interest held jointly with other persons <sup>(2)</sup>	66,000,000	2.14	Short position
Mr. GUO Junxian ("Mr. GUO")	Beneficial owner	2,100,000	0.07	Long position

#### Notes:

- Mr. SUN's interest in the Company is indirectly held through Yomi.sun Holding Limited ("Sun SPV"). Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of the Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.
- Mr. SUN, Mr. FANG and Mr. YOU are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. SUN, Mr. FANG and Mr. YOU is deemed to be interested in the Shares held by other members of the Substantial Shareholders Group.
- Jeff.Fang Holding Limited ("Fang SPV") is wholly-owned by Mr. FANG. Under the SFO, Mr. FANG is deemed to be interested in the Shares held by Fang SPV.

## OTHER INFORMATION

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

Save as disclosed above, as of June 30, 2024, none of the Directors or the chief executive of the Company (including their spouses and children under 18 years of age) had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of June 30, 2024, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

#### Interests in Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (%)	Long/short position/ lending pool
Cantrust (Far East) Limited	Trustee <sup>(1)</sup>	326,599,000	10.61	Long position
		66,000,000	2.14	Short position
Yumi Investment Limited	Interest in controlled corporation <sup>(1)</sup>	326,599,000	10.61	Long position
		66,000,000	2.14	Short position
Sun SPV	Beneficial interest <sup>(1)</sup>	326,599,000	10.61	Long position
		66,000,000	2.14	Short position
Tencent Mobility Limited	Beneficial interest <sup>(2)</sup>	84,306,000	2.74	Long position
Huang River Investment Limited	Beneficial interest <sup>(2)</sup>	212,568,461	6.91	Long position
Tencent Holdings Limited	Interest in controlled corporation <sup>(2)</sup>	296,874,461	9.65	Long position
JPMorgan Chase & Co.	Interest in controlled corporation; person having a security interest in shares; approved lending agent <sup>(3)</sup>	231,398,548	7.52	Long position
		102,022,728	3.32	Short position
		72,729,111	2.36	Lending pool



## OTHER INFORMATION

### *Notes:*

1. Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of the Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.
2. Tencent Mobility Limited and Huang River Investment Limited are wholly-owned subsidiaries of Tencent Holdings Limited. Under the SFO, Tencent Holdings Limited is deemed to be interested in 84,306,000 Shares held by Tencent Mobility Limited and 212,568,461 Shares held by Huang River Investment Limited.
3. JPMorgan Chase & Co. holds equity interests in the Shares through the companies directly controlled by it.

Save as disclosed above, as of June 30, 2024, the Directors were not aware of any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, recorded in the register required to be kept by the Company under Section 336 of the SFO.

### 2018 RSU PLAN

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

### Details of the RSUs granted under the 2018 RSU Plan

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

As of June 30, 2024, the aggregate number of Shares underlying the granted RSUs under the 2018 RSU Plan was 70,495,000 Shares, representing approximately 2.29% of the issued share capital of the Company as of June 30, 2024, and the aggregate number of Shares underlying the vested RSUs under the 2018 RSU Plan was 70,333,000 Shares. As of the date of this interim report, the aggregate number of Shares underlying the granted RSUs and the aggregate number of Shares underlying the vested RSUs under the 2018 RSU Plan remained unchanged.

As at January 1, 2024 and June 30, 2024, the aggregate number of RSUs available for further grant under the 2018 RSU Plan was 162,000. The aggregate number of Shares available for further grant under the 2018 RSU Plan is 162,000 Shares, representing approximately 0.01% of the issued share capital of the Company as of the date of this interim report.

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

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





## OTHER INFORMATION

### 2020 RSU SCHEME

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

#### Details of the RSUs granted under the 2020 RSU Scheme

As disclosed in the announcement of the Company dated October 15, 2020, the Board approved the grant of RSU awards (the “**2020 RSU Awards**”) in respect of an aggregate of 20,620,000 underlying Shares to 252 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, five grantees failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 270,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As disclosed in the announcement of the Company dated May 28, 2021, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 16,316,000 underlying Shares to 379 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, eight grantees failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 161,500 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As disclosed in the announcement of the Company dated December 20, 2021, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 15,651,000 underlying Shares to 406 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, one grantee failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 30,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As disclosed in the announcement of the Company dated April 4, 2023, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 21,576,500 underlying Shares to 719 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, one grantee failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 30,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As disclosed in the announcement of the Company dated December 12, 2023, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 5,816,400 underlying Shares to 165 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, six grantees failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 247,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

## OTHER INFORMATION

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

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

Category of grantee	Grant date	Closing price immediately prior to date of grant (HK\$)	Number of Shares underlying the RSUs outstanding as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of Shares underlying the RSUs outstanding as at June 30, 2024	Vesting period	Weighted average closing price of Shares immediately prior to the vesting date (RMB)
Employee (in aggregate)	October 15, 2020	11.42	3,314,050	-	-	358,300	2,955,750	October 15, 2020 to October 15, 2024	-
	May 28, 2021	18.00	5,591,250	-	3,002,875	523,000	2,065,375	May 28, 2021 to May 28, 2025	1.40
	December 20, 2021	7.69	5,584,500	-	-	1,069,000	4,515,500	December 20, 2021 to October 15, 2025	-
	April 4, 2023	4.78	14,073,375	-	2,335,625	4,603,500	7,134,250	April 4, 2023 to April 4, 2027	1.40
	December 12, 2023	3.09	5,816,400	-	1,392,350	795,750	3,628,300	December 12, 2023 to December 12, 2027	1.40
<b>Total</b>			<b>34,379,575</b>	<b>-</b>	<b>6,730,850</b>	<b>7,349,550</b>	<b>20,299,175</b>		

### Notes:

- No RSU was cancelled during the Reporting Period.
- The performance targets for all the RSUs granted pursuant to the 2020 RSU Scheme during the six months ended June 30, 2024 shall be based on the grantees' performance rank in the said anniversary year. The performance rank is linked to the performance of the grantees in the said anniversary year as assessed by the Group.
- As no RSUs were granted under the 2020 RSU Scheme or any other schemes of the Company during the Reporting Period, the total number of Shares that may be issued in respect of RSUs granted under all schemes of the Company during the Reporting Period divided by the weighted average number of the Shares (excluding treasury Shares) in issue during the Reporting Period was 0%.



## OTHER INFORMATION

4. The total number of awards available for grant under the scheme mandate of the 2020 RSU Scheme as at January 1, 2024 was 273,643,099. The total number of awards available for grant under the scheme mandate of the 2020 RSU Scheme as at June 30, 2024 was 273,643,099, being the total number of Shares which may be issued in respect of awards to be granted under the 2020 RSU Scheme or share options or awards to be granted under any other schemes of the Company. The total number of awards available for grant under the service provider sublimit of the 2020 RSU Scheme as at January 1, 2024 and June 30, 2024 were 27,945,949 and 27,945,949, respectively.

### THE ACCOUNTING STANDARD AND POLICY ADOPTED

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

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

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

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

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

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

### SUBSEQUENT EVENT

On September 5, 2024, the Bond Issuer completed the issue of convertible bonds in an aggregate principal amount of US\$90,000,000 with the guarantee provided by the Company (the “**2024 Convertible Bonds**”). The last closing price of the Shares as quoted on the Stock Exchange on the trading day on which the placing agency agreement was signed (i.e. August 29, 2024) was HK\$1.22 per Share, and the initial conversion price is HK\$1.30 per Share. Based on such initial conversion price and assuming full conversion of the 2024 Convertible Bonds at the initial conversion price, the 2024 Convertible Bonds will be convertible into a maximum of 542,090,769 new Shares. The gross proceeds from the issue of the 2024 Convertible Bonds were approximately US\$88 million. The net proceeds from the issue of the 2024 Convertible Bonds were approximately US\$86 million. The Company intends to use the net proceeds from the issue of the 2024 Convertible Bonds for the purpose of refinancing of existing indebtedness.

The 2024 Convertible Bonds have been offered and sold to no less than six independent placees (who are independent individual, corporate and/or institutional investors). The 2024 Convertible Bonds were listed on the Stock Exchange on September 6, 2024. For further information on the 2024 Convertible Bonds, please refer to the announcements of the Company dated August 30, 2024 and September 5, 2024.

Apart from those disclosed in this interim report, no significant events have taken place subsequent to June 30, 2024 and up to the date of this interim report.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the six months ended June 30, 2024

	Note	Six months ended June 30,	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	7	<b>867,434</b>	1,209,570
Cost of sales	8	<b>(291,529)</b>	(393,313)
<b>Gross profit</b>		<b>575,905</b>	816,257
Selling and distribution expenses	8	<b>(565,260)</b>	(844,056)
General and administrative expenses	8	<b>(287,008)</b>	(380,009)
Net impairment losses on financial assets		<b>(4,810)</b>	(39,272)
Other income	9	<b>21,040</b>	50,504
Other (losses)/gains, net	10	<b>(27,190)</b>	11,279
<b>Operating loss</b>		<b>(287,323)</b>	(385,297)
Finance costs	11	<b>(212,986)</b>	(79,971)
Finance income	12	<b>8,097</b>	20,857
Share of net (losses)/profits of associates accounted for using the equity method	20	<b>(450)</b>	1,198
Change in fair value of convertible bonds	22(a)	<b>(54,483)</b>	4,778
<b>Loss before income tax</b>		<b>(547,145)</b>	(438,435)
Income tax expenses	13	<b>(22,697)</b>	(31,196)
<b>Loss for the period</b>		<b>(569,842)</b>	(469,631)
<b>Loss attributable to:</b>			
– Equity holders of the Company		<b>(550,784)</b>	(452,235)
– Non-controlling interests		<b>(19,058)</b>	(17,396)
		<b>(569,842)</b>	(469,631)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the six months ended June 30, 2024

	Note	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Other comprehensive loss, net of tax</b>			
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Change in fair value of financial liabilities from own credit risk	22(a)	1,309	–
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		(2,005)	(1,441)
<b>Total comprehensive loss for the period</b>		<b>(570,538)</b>	<b>(471,072)</b>
<b>Total comprehensive loss attributable to:</b>			
– Equity holders of the Company		<b>(551,480)</b>	(453,676)
– Non-controlling interests		<b>(19,058)</b>	(17,396)
		<b>(570,538)</b>	<b>(471,072)</b>
<b>Loss per share attributable to the equity holders of the Company</b>			
<b>(expressed in RMB per share)</b>			
– Basic loss per share	15	<b>(0.19)</b>	(0.17)
– Diluted loss per share	15	<b>(0.19)</b>	(0.17)

The accompanying notes on pages 44 to 98 form an integral part of this interim financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Note	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	314,197	273,802
Right-of-use assets	17	376,044	398,801
Investment properties		34,530	34,530
Intangible assets	18	1,175,335	1,274,654
Development costs	19	34,925	–
Deferred income tax assets		4,827	23,555
Contract acquisition cost	7	23,252	18,814
Investments accounted for using the equity method	20	297,131	297,581
Financial assets at fair value through profit or loss	5.3, 22	700,235	707,404
Prepayments, deposits and other assets	24	4,030	8,964
Term deposits	26	20,967	–
<b>Total non-current assets</b>		<b>2,985,473</b>	<b>3,038,105</b>
<b>Current assets</b>			
Contract acquisition cost	7	46,797	96,900
Prepayments, deposits and other assets	24	2,182,750	1,621,631
Trade and notes receivables	25	262,854	353,305
Financial assets at fair value through other comprehensive income	21	225,845	247,554
Financial assets at fair value through profit or loss	5.3, 22	35,357	308,057
Term deposits	26	–	22,378
Restricted cash	26	518,331	513,406
Cash and cash equivalents	26	1,213,720	1,666,760
<b>Total current assets</b>		<b>4,485,654</b>	<b>4,829,991</b>
<b>Total assets</b>		<b>7,471,127</b>	<b>7,868,096</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital	29	2,093	1,882
Shares held for RSU Scheme	29	(171)	(161)
Share premium	29	9,061,920	8,784,371
Equity component of convertible bonds	23(a)	–	245,808
Other reserves		(609,406)	(855,915)
Accumulated losses		(6,026,612)	(5,475,828)
<b>Non-controlling interests</b>		<b>2,427,824</b>	<b>2,700,157</b>
		<b>82,818</b>	<b>102,097</b>
<b>Total equity</b>		<b>2,510,642</b>	<b>2,802,254</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	<i>Note</i>	<b>As at June 30, 2024 RMB'000 (Unaudited)</b>	As at December 31, 2023 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities measured at fair value through profit or loss	5.3, 22	37,595	37,595
Financial liabilities measured at amortised cost	23	128,904	126,014
Bank borrowings	27	101,752	385,520
Lease liabilities		18,284	27,884
Contract liabilities	7	57,052	54,308
Deferred income tax liabilities		11,207	7,142
Other non-current liabilities	28	2,906	2,906
<b>Total non-current liabilities</b>		<b>357,700</b>	641,369
<b>Current liabilities</b>			
Financial liabilities measured at fair value through profit or loss	5.3, 22	683,179	24,063
Financial liabilities measured at amortised cost	23	–	1,305,992
Bank borrowings	27	1,706,016	1,352,723
Lease liabilities		25,143	31,950
Trade and other payables	28	1,957,777	1,434,799
Contract liabilities	7	220,635	263,375
Current income tax liabilities		10,035	11,571
<b>Total current liabilities</b>		<b>4,602,785</b>	4,424,473
<b>Total liabilities</b>		<b>4,960,485</b>	5,065,842
<b>Total equity and liabilities</b>		<b>7,471,127</b>	7,868,096

The accompanying notes on pages 44 to 98 form an integral part of this interim financial information.



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024

		Attributable to equity holders of the Company							
Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Equity component		Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
				of convertible bonds RMB'000	Other reserves RMB'000				
<b>(Unaudited)</b>									
<b>As at January 1, 2024</b>									
	1,882	8,784,371	(161)	245,808	(855,915)	(5,475,828)	2,700,157	102,097	2,802,254
<b>Comprehensive loss</b>									
Loss for the period	-	-	-	-	-	(550,784)	(550,784)	(19,058)	(569,842)
Currency translation differences	-	-	-	-	(2,005)	-	(2,005)	-	(2,005)
Change in fair value of financial liabilities from own credit risk	-	-	-	-	1,309	-	1,309	-	1,309
<b>Total comprehensive loss for the period</b>									
	-	-	-	-	(696)	(550,784)	(551,480)	(19,058)	(570,538)
<b>Transaction with owners</b>									
Issuance of ordinary shares	29(b)	197	284,249	-	-	-	284,446	-	284,446
Share issuance costs	29(b)	-	(6,700)	-	-	-	(6,700)	-	(6,700)
Issuance of ordinary shares for share-based compensation	29(a)	14	-	(14)	-	-	-	-	-
Transfer of vested RSUs		-	-	4	-	(4)	-	-	-
Buy-back of convertible bonds	23(a)	-	-	-	(245,808)	245,808	-	-	-
Share-based compensation expenses for non-controlling shareholders	30(b)	-	-	-	-	-	-	951	951
Share-based compensation expenses for employees	30(a)	-	-	-	-	13,229	-	13,229	13,229
Transaction with non-controlling interests	28(b), 30(b)	-	-	-	-	(11,828)	-	(1,172)	(13,000)
<b>Transactions with owners in their capacity for the period</b>									
	211	277,549	(10)	(245,808)	247,205	-	279,147	(221)	278,926
<b>As at June 30, 2024</b>									
	2,093	9,061,920	(171)	-	(609,406)	(6,026,612)	2,427,824	82,818	2,510,642

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024

	Attributable to equity holders of the Company										
	Note	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'00	Equity component			Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
					Shares held for RSU Scheme RMB'000	of convertible bonds RMB'000	Other reserves RMB'000				
<b>(Unaudited)</b>											
<b>As at January 1, 2023</b>		1,717	7,475,254	(39,110)	(644)	335,474	(905,569)	(4,717,577)	2,149,545	91,501	2,241,046
<b>Comprehensive loss</b>											
Loss for the period		-	-	-	-	-	-	(452,235)	(452,235)	(17,396)	(469,631)
Currency translation differences		-	-	-	-	-	(1,441)	-	(1,441)	-	(1,441)
<b>Total comprehensive loss for the period</b>		-	-	-	-	-	(1,441)	(452,235)	(453,676)	(17,396)	(471,072)
<b>Transaction with owners</b>											
Issuance of ordinary shares		167	1,369,660	-	-	-	-	-	1,369,827	-	1,369,827
Share issuance costs		-	(21,445)	-	-	-	-	-	(21,445)	-	(21,445)
Issuance of ordinary shares for share-based compensation		10	-	-	(10)	-	-	-	-	-	-
Transfer of vested RSUs		-	-	-	488	-	(488)	-	-	-	-
Buy-back of convertible bonds		-	-	-	-	(89,666)	(30,421)	-	(120,087)	-	(120,087)
Cancellation of buy-back shares		(12)	(39,098)	39,110	-	-	-	-	-	-	-
Share-based compensation expenses for non-controlling shareholders	30(b)	-	-	-	-	-	-	-	-	1,744	1,744
Share-based compensation expenses for employees	30(a)	-	-	-	-	-	54,474	-	54,474	-	54,474
Transaction with non-controlling interests		-	-	-	-	-	2,028	-	2,028	(2,028)	-
Derecognition of non-controlling interests from disposal of subsidiaries	34	-	-	-	-	-	-	-	-	15,783	15,783
<b>Transactions with owners in their capacity for the period</b>		165	1,309,117	39,110	478	(89,666)	25,593	-	1,284,797	15,499	1,300,296
<b>As at June 30, 2023</b>		1,882	8,784,371	-	(166)	245,808	(881,417)	(5,169,812)	2,980,666	89,604	3,070,270

The accompanying notes on pages 44 to 98 form an integral part of this interim financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2024

	Note	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations		52,705	(646,404)
Interest received		8,097	17,858
Interest paid		(29,864)	(27,543)
Income tax paid		(1,440)	(913)
<b>Net cash generated from/(used in) operating activities</b>		<b>29,498</b>	<b>(657,002)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments measured at fair value through profit or loss (current and non-current portion)	5.3	(278,500)	(1,268,818)
Proceeds from disposal of investments measured at fair value through profit or loss	5.3	553,388	1,764,009
Placements of term deposits		(20,000)	(21,142)
Receipt from term deposits		22,274	412
Interest received from term deposits		299	4,464
Payment to invest in an associate		–	(17,500)
Payment for acquisition of subsidiaries, net of cash acquired		–	(62,649)
Net cash outflow arising from disposal of subsidiaries		–	(3,778)
Purchase of property, plant and equipment		(57,946)	(52,574)
Proceeds from disposal of property, plant and equipment		717	106
Purchase of intangible assets	18	–	(911)
Payment for development costs	19	(55,406)	(119,493)
Loans to related parties	32	(243,800)	(56,000)
Repayment from a related party	32	181,500	–
Loan to a third party	24	(9,759)	–
<b>Net cash generated from investing activities</b>		<b>92,767</b>	<b>166,126</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2024

	Note	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	29(b)	284,446	1,369,827
Proceeds from issuance of bonds	22(b)	604,061	–
Transaction costs of share issuance		(6,272)	(21,445)
Transaction costs of bond offering		(14,160)	–
Buy-back of convertible bonds at amortised cost	23(a)	(1,473,462)	(475,799)
Proceeds from bank borrowings		1,064,980	873,000
Repayments of bank borrowings		(995,050)	(1,033,000)
Redemption of convertible bonds measured at fair value through profit or loss		–	(128,798)
Principal elements of lease payments		(19,452)	(28,975)
Payment for borrowings due to a third party		–	(120)
Decrease in deposits pledged for bank borrowings	26(b)	50,322	326,385
Increase in deposits pledged for bank borrowings	26(b)	(50,322)	–
Interest received from restricted cash		210	–
Acquisition of equity interests from non-controlling interests	28(b)	(7,800)	–
<b>Net cash (used in)/generated from financing activities</b>		<b>(562,499)</b>	881,075
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(440,234)</b>	390,199
Effect on exchange rate difference		(12,806)	10,228
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,666,760</b>	1,710,103
<b>Cash and cash equivalents at end of the period</b>		<b>1,213,720</b>	2,110,530

The accompanying notes on pages 44 to 98 form an integral part of this interim financial information.

# NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

## 1 GENERAL INFORMATION

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

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

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

The condensed consolidated interim financial information comprises the condensed consolidated statement of financial position as at June 30, 2024, the related condensed consolidated statement of comprehensive loss for the six-month period then ended, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes (the “Interim Financial Information”). The Interim Financial Information is presented in Renminbi (“RMB”), unless otherwise stated.

The Interim Financial Information has been approved for issue by the Board of Directors on August 21, 2024.

## 2 BASIS OF PREPARATION

### 2.1 Compliance with HKFRS and the disclosure requirements of HKCO

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim Financial Reporting’ issued by the Hong Kong Accounting Standards Board and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), as set out in the 2023 annual report of the Company dated March 28, 2024 (the “2023 Financial Statements”).

### 2.2 Going concern basis

During the six months ended June 30, 2024, the Group reported a net loss of RMB569,842,000 while generating a net cash inflow of RMB29,498,000 from operating activities. As at June 30, 2024, the Group’s current liability included bank borrowings of RMB1,706,016,000 repayable within 12 months and an equity-linked cash-settled bond of RMB659,116,000, embedded with a holder’s cash conversion right can be exercised since 90 days after April 29, 2024, the Closing Date of bond offering (as disclosed in Note 22). Meanwhile, the Group’s cash and cash equivalents, restricted cash pledged for bank borrowings, and bank wealth management products that mature within 12 months amounted to RMB1,213,720,000, RMB518,236,000 and RMB18,739,000 respectively, totalling RMB1,750,695,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt over the Group’s ability to continue as a going concern.

# NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

## 2 BASIS OF PREPARATION (Continued)

### 2.2 Going concern basis (Continued)

In light of such circumstances, the directors of the Company have carefully considered the future liquidity, the performance of the Group, and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from June 30, 2024. The following plans and measures have been implemented to mitigate liquidity pressure and improve the Group's financial position:

- (1) Operating cash flows turned positive in the second half of 2023 and remained positive in the first half of 2024. The management of the Company believes that its operating performance and cash flow will continue to improve due to the following factors: (i) the Group will focus on the development of its main business by leveraging its "SaaS+AI" layout, promoting its key account (KA) development strategy, and accelerating the commercialization of video accounts, among other initiatives; (ii) the Group has already taken and will continue to take initiatives to implement cost control measures, including but not limited to headcount control, streamlining R&D, selling and administrative costs; and (iii) the Group will accelerate the collection of outstanding trade and other receivables and optimize working capital utilization of target marketing business.
- (2) The Group has consistently repaid all of its bank borrowings on schedule and has successfully renewed its bank borrowings as needed over the past several years. During the six months ended June 30, 2024, the Group repaid borrowings totalling RMB770,000,000 and successfully renewed bank borrowings for the same amount. Additionally, the Group secured new bank borrowings of RMB240,000,000 and repaid RMB225,050,000 in borrowings. Management believes that the Group will be able to renew its bank borrowings upon maturity and secure new bank facilities as needed, based on its strong relationships with banks and its historical success in renewing loans. Meanwhile, the Group will continue to monitor its compliance with the covenant requirements of all borrowings and facilities.
- (3) The Group has been successful in raising funds through private placements and bond issuances in recent years, and the most recent round of financing occurred in April 2024. Regarding the cash conversion rights embedded in the 2024 Bonds, a comparison of the cash conversion price and the bond's return to maturity indicates that rational bondholders would likely exercise these rights only if there is a substantial increase in our company's stock price. If such a significant rise occurs, we are confident in our ability to refinance by issuing additional shares or convertible bonds to redeem the aforementioned bonds.



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 2 BASIS OF PREPARATION (Continued)

#### 2.2 Going concern basis (Continued)

The directors of the Company have reviewed the Group's cash flow projection prepared by the management, which covers a period of not less than twelve months from June 30, 2024. In the opinion of the directors of the Company, taking into account the above plans and measures and considering the underlying bases of the management's cash flow forecast, the Group will have sufficient financial resources available to meet its financial obligations as and when they become due in the coming twelve months from June 30, 2024. Accordingly, the directors of the Company consider it appropriate to prepare the consolidated financial statements on a going concern basis.

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

- (1) the success in implementing plans and measures to improve the Group's operating performance and maintain a net operating cash inflows;
- (2) the success in renewing the bank borrowings when they become due and continuously fulfil the covenant requirements of all borrowings and facilities;
- (3) the success in timely refinancing the bond if the bond holders exercise their cash conversion right.

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

In brief, with the assumption that the Group has the capability to refinance the 2024 Bond and renew the bank borrowings in a timely manner, while recognizing the existence of the material uncertainty until such bond refinance and borrowing renew actually occur, the directors of the Company are of the view that the Group will have sufficient working capital to maintain its operations and to pay its financial obligations as and when they fall due for at least twelve months from the end of the reporting period.

# NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

## 3 MATERIAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in the 2023 Financial Statements, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

### 3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, which did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

### 3.2 New standards and amendments to standards that have been issued but not effective

A number of new standards and amendments to standards have not come into effect for the financial year beginning January 1, 2024 and have not been early adopted by the Group in preparing the condensed consolidated financial statements. None of these is expected to have a significant effect on the condensed consolidated financial statements of the Group.

## 4 ESTIMATES

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 Financial Statements.

## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), price risk, credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2023 Financial Statements. There have been no changes in the risk management policies during the six months ended June 30, 2024.

### 5.2 Liquidity risk

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



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.2 Liquidity risk (Continued)

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>(Unaudited)</b>					
<b>As at June 30, 2024</b>					
Trade and other payables (excluding staff costs and welfare accruals, advance from advertisers and other tax payable) (Note 28)	712,004	–	–	–	712,004
Bank borrowing (including interest accrual up to maturity) (Note 27)	1,735,825	20,262	43,259	53,973	1,853,319
Financial liabilities measured at amortised cost (Note 23)	–	–	149,933	–	149,933
Financial liabilities measured at fair value through profit or loss ("FVPL") (Note 22)	696,559	–	–	37,595	734,154
Lease liabilities	27,499	17,572	4,328	–	49,399
Other non-current liabilities (Note 28)	–	–	2,906	–	2,906
<b>Total</b>	<b>3,171,887</b>	<b>37,834</b>	<b>200,426</b>	<b>91,568</b>	<b>3,501,715</b>
	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>As at December 31, 2023</b>					
Trade and other payables (excluding staff costs and welfare accruals, advance from advertisers and other tax payable) (Note 28)	324,328	–	–	–	324,328
Bank borrowing (including interest accrual up to maturity) (Note 27)	1,385,091	348,030	33,911	30,443	1,797,475
Financial liabilities measured at amortised cost (Note 23)	1,468,484	–	149,933	–	1,618,417
Financial liabilities measured at FVPL (Note 22)	–	–	–	37,595	37,595
Lease liabilities	33,906	23,608	8,486	–	66,000
Other non-current liabilities (Note 28)	–	–	2,906	–	2,906
<b>Total</b>	<b>3,211,809</b>	<b>371,638</b>	<b>195,236</b>	<b>68,038</b>	<b>3,846,721</b>

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Fair values estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair values as at June 30, 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>(Unaudited)</b>				
<b>Assets</b>				
Financial assets measured at FVPL				
– Non-current ( <i>Note 22</i> )	–	–	700,235	700,235
– Current ( <i>Note 22</i> )	16,618	–	18,739	35,357
Financial assets measured at fair value through other comprehensive income (“FVOCI”)				
– Current ( <i>Note 21</i> )	–	–	225,845	225,845
	16,618	–	944,819	961,437
<b>Liabilities</b>				
Financial liabilities measured at FVPL				
– Current ( <i>Note 22</i> )	–	659,116	24,063	683,179
– Non-current ( <i>Note 22</i> )	–	–	37,595	37,595
	–	659,116	61,658	720,774

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Fair values estimation (Continued)

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Assets</b>				
Financial assets measured at FVPL				
– Non-current (Note 22)	–	–	707,404	707,404
– Current (Note 22)	15,552	–	292,505	308,057
Financial assets measured at FVOCI				
– Current (Note 21)	–	–	247,554	247,554
	15,552	–	1,247,463	1,263,015
<b>Liabilities</b>				
Financial liabilities measured at FVPL				
– Current (Note 22)	–	–	24,063	24,063
– Non-current (Note 22)	–	–	37,595	37,595
	–	–	61,658	61,658

There were no transfers of financial assets and liabilities between level 1, level 2 and level 3 during the six months ended June 30, 2023 and 2024.

#### *Financial instruments in level 1*

Level 1 financial assets as at June 30, 2024 and December 31, 2023 represented Hong Kong listed equity securities (Note 22).

#### *Financial instruments in level 2*

Level 2 financial liability as at June 30, 2024 represented the bonds issued in April 2024 which were traded on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (Note 22(b)). The fair value of the bonds was determined based on the observable bid and ask price as of June 30, 2024.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Fair values estimation (Continued)

##### *Financial instruments in level 3*

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

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

The following table presents the changes in level 3 financial instruments for the six months ended June 30, 2023 and 2024. As one or more of the significant inputs used in the valuation of these instruments is not based on observable market data, the instruments are included in level 3.

	Current financial assets measured at FVPL (Note 22)(i) RMB'000	Non-current financial assets measured at FVPL (Note 22)(ii) RMB'000	Financial assets at FVOCI (Note 21) RMB'000	Current financial liabilities measured at FVPL (Note 34)(iii) RMB'000	Non-current financial liabilities measured at FVPL (Note 22)(iv) RMB'000	Total RMB'000
<b>(Unaudited)</b>						
<b>Balance as at January 1, 2024</b>	292,505	707,404	247,554	(24,063)	(37,595)	1,185,805
Addition	278,500	-	942,296	-	-	1,220,796
Changes in fair value	1,122	(7,169)	(890)	-	-	(6,937)
Settlements	(553,388)	-	(963,115)	-	-	(1,516,503)
<b>Balance as at June 30, 2024</b>	18,739	700,235	225,845	(24,063)	(37,595)	883,161
Net unrealized gains/(losses) for the period	124	(7,169)	(890)	-	-	(7,935)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Fair values estimation (Continued)

*Financial instruments in level 3 (Continued)*

	Current financial assets measured at FVPL (Note 22) RMB'000	Non-current financial assets measured at FVPL (Note 22) RMB'000	Financial assets at FVOCI (Note 21) RMB'000	Current financial liabilities measured at FVPL (Note 34) RMB'000	Non-current financial liabilities measured at FVPL (Note 22) RMB'000	Total RMB'000
<b>(Unaudited)</b>						
<b>Balance as at January 1, 2023</b>	574,797	537,969	323,744	–	(37,595)	1,398,915
Addition	1,247,318	22,500	1,036,223	(7,273)	–	2,298,768
Changes in fair value	4,963	(52,851)	(325)	–	–	(48,213)
Settlements	(1,764,009)	–	(902,922)	–	–	(2,666,931)
Other non-cash movement (Note 34)	–	82,000	–	–	–	82,000
<b>Balance as at June 30, 2023</b>	63,069	589,618	456,720	(7,273)	(37,595)	1,064,539
Net unrealized gains/(losses) for the period	69	(52,851)	(325)	–	–	(53,107)

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

There was no significant change in the valuation method or the key unobservable inputs used in Level 3 fair value measurements compared to those employed as of December 31, 2023.

(i) Short-term investments at FVPL

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

(ii) Investment in unlisted companies

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

# NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

### 5.3 Fair values estimation (Continued)

#### *Financial instruments in level 3 (Continued)*

#### (a) *Valuation inputs and relationships to fair value (Continued)*

##### (iii) Financial liability at FVPL

As disclosed in Note 34, the Company recognised a financial liability at FVPL in relation to the transaction with Acewill Information Technology (Beijing) Co., Ltd. (“Acewill”). The Group accounts for its equity interests in Acewill as financial asset at FVPL and determined the fair value of the financial liability at FVPL based on the fair value of the underlying investment in Acewill. Therefore, the significant unobservable input of the current financial liability is as same as that used in the valuation of underlying Acewill investment. There was no significant change in the fair value of this financial liability for the six months ended June 30, 2024.

##### (iv) Contingent consideration – Heading

The Group acquired 51% equity interests of Heading in November 2020 at a total consideration of RMB510,000,000, among which RMB37,595,000 is contingent consideration and is payable upon the achievement of certain business performance targets. The contingent payment is recorded as non-current financial liabilities measured at FVPL as it is expected to be settled in late 2025. There was no significant change in the fair value of this contingent payable for the six months ended June 30, 2024.

#### (b) *Valuation processes*

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

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Fair values estimation (Continued)

##### Financial instruments in level 3 (Continued)

##### (b) Valuation processes (Continued)

The following table presents the recognised financial instruments that are offset as at June 30, 2024 and December 31, 2023.

As at June 30, 2024	Effects of offsetting on the balance sheet		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
<b>Financial assets</b>			
Other receivables due from a related party	244,571	(867)	243,704
<b>Financial liabilities</b>			
Other payables due to related parties	867	(867)	–

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

In 2023 and 2024, Shanghai Weimob Enterprise Development Co., Ltd. (“Weimob Development”) and Shanghai Xiaoke Information Technology Co., Ltd. (“Xiaoke”), entered into an agreement, pursuant to which both parties agreed to offset the payables against the receivables of RMB14,329,000 and RMB867,000, respectively. The relevant amounts have therefore been presented net in the balance sheet.

# NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

## 6 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

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

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

As at June 30, 2024 and December 31, 2023, substantial majority of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 6 SEGMENT INFORMATION (Continued)

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

	Subscription solutions RMB'000	Merchant solutions RMB'000	Total RMB'000
<b>(Unaudited)</b>			
<b>Six months ended June 30, 2024</b>			
Segment revenue	486,779	380,655	867,434
Segment cost of sales	(194,429)	(97,100)	(291,529)
Gross profit	292,350	283,555	575,905
<b>(Unaudited)</b>			
<b>Six months ended June 30, 2023</b>			
Segment revenue	705,343	504,227	1,209,570
Segment cost of sales	(238,985)	(154,328)	(393,313)
Gross profit	466,358	349,899	816,257

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 7 REVENUE

An analysis of the Group's revenue by category for the six months ended June 30, 2023 and 2024 was as follows:

#### 7.1 Disaggregation of revenue from contracts with customers

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Subscription solutions	486,779	705,343
Merchant solutions*	380,655	504,227
Total revenue	867,434	1,209,570

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Timing of revenue recognition		
– At a point in time	478,558	631,825
– Over time	388,876	577,745
Total revenue	867,434	1,209,570

\* Included in the merchant solutions revenue, the Group recognized RMB17,504,000 variable rebates received from media publishers in the six months ended June 30, 2023, for which the related performance obligations were satisfied in previous periods. No such true-up adjustments were made during the six months ended June 30, 2024.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 7 REVENUE (Continued)

#### 7.2 Assets and liabilities related to contract with customers

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

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Contract acquisition cost (current)	46,797	96,900
Contract acquisition cost (non-current)	23,252	18,814
<b>Total assets related to contracts with customers</b>	<b>70,049</b>	115,714
Contract liabilities (current)	220,635	263,375
Contract liabilities (non-current)	57,052	54,308
<b>Total contract liabilities</b>	<b>277,687</b>	317,683

(a) *Significant changes in contract liabilities*

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

(b) *Revenue recognised in relation to contract liabilities*

	Six months ended at June 30 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Beginning balance	317,683	359,103
Addition	277,796	296,219
Disposal of subsidiaries	-	(4,295)
Recognised in revenue	(317,792)	(334,656)
<b>Ending balance</b>	<b>277,687</b>	316,371

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 7 REVENUE (Continued)

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

##### (b) Revenue recognised in relation to contract liabilities (Continued)

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

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period	164,051	162,919

##### (c) Unsatisfied performance obligations

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

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Subscription solutions related	277,687	317,683

The Company expects that out of total unsatisfied performance obligations as at June 30, 2024, approximately RMB220,635,000 (December 31, 2023: RMB263,375,000), will be recognised as revenue within 1 year. The remaining approximately RMB57,052,000 (December 31, 2023: RMB54,308,000) will be recognised as revenue within two to three years.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 7 REVENUE (Continued)

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

##### (d) Assets recognised from incremental costs to obtain a contract

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

	Six months ended June 30	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amortisation recognised as selling expenses related to SaaS products offering during the period ( <i>Note 8(a)</i> , <i>Note 8(b)</i> )	83,854	268,002

##### (e) Assets recognised from costs to fulfil a contract

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

	Six months ended June 30	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Beginning balance	23,143	27,415
Addition	37,372	42,472
Recognised as cost of providing customized software development service during the period	(21,175)	(49,176)
Ending balance	39,340	20,711

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 8 EXPENSES BY NATURE

Total cost of sales, selling and distribution expenses, general and administrative expenses by nature is shown below:

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Employee benefits expenses (a)	<b>631,371</b>	767,549
Depreciation and amortisation of intangible assets and property, plant and equipment	<b>128,275</b>	149,808
Promotion and advertising expenses (b)	<b>127,653</b>	348,290
Outsourced service fee	<b>102,676</b>	138,522
Advertising traffic cost	<b>42,818</b>	63,054
Server and SMS charges related to subscription solutions revenue	<b>33,011</b>	51,783
Utilities and office expenses	<b>28,989</b>	31,372
Depreciation of right-of-use assets (Note 17)	<b>22,245</b>	29,224
Travelling and entertainment expenses	<b>9,020</b>	19,595
Other consulting fees	<b>5,675</b>	10,556
Auditors' remuneration	<b>2,700</b>	3,326
Others	<b>9,364</b>	4,299
	<b>1,143,797</b>	1,617,378

(a) For the six months ended June 30, 2024, employee benefits expenses consist of RMB10,199,000 amortisation expenses of contract acquisition cost paid and payable to salesmen (six months ended June 30, 2023: RMB20,682,000).

(b) For the six months ended June 30, 2024, promotion and advertising expenses mainly consists of (i) RMB73,655,000 amortisation expenses of contract acquisition cost paid and payable to the Group's channel partners, Tencent Cloud Computing (Beijing) Co., Ltd. and other sales agents (six months ended June 30, 2023: RMB247,320,000) and (ii) RMB28,687,000 advertising expenses mainly paid and payable to online advertising platforms such as Baidu Online Network Technology (Beijing) Co., Ltd. (six months ended June 30, 2023: RMB45,278,000).

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 8 EXPENSES BY NATURE (Continued)

#### Key management compensation

Key management includes executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries, wages and bonus	4,029	5,661
Other social security costs, housing benefits and other employee benefits	329	340
Pension cost — defined contribution plan	251	238
Share-based compensation	5,304	26,770
	9,913	33,009

### 9 OTHER INCOME

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income from term deposits and loan to related and third parties	12,904	5,709
Government grants (a)	8,136	21,283
Super deduction of input VAT (b)	—	23,512
	21,040	50,504

(a) Government grants mainly represent tax refund entitled to receive and other government grants received. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

(b) Pursuant to the 'Announcement on Relevant Policies for Deepening the Value-added Tax Reform' (Cai Shui Haiguan [2019] 39) and 'Public Notice Jointly Issued by the Ministry of Finance and State Administration of Taxation Regarding VAT Preferential Treatment for Small-scale VAT Taxpayers' (Cai Shui Haiguan [2023] 1), majority of the operating entities in the Group qualify for additional 5% deduction of input value-added tax ("Super Deduction of input VAT") from output VAT since April 1, 2019 to December 31, 2023.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 10 OTHER (LOSSES)/GAINS, NET

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fair value change of listed equity security investments	1,066	(17,221)
Gains from disposal of short-term investments measured at FVPL	998	4,894
Fair value change of current financial assets measured at FVPL	124	69
Gain on disposal of subsidiaries	–	7,536
Gains from repurchase of 2021 Convertible bonds (Note 23(a))	–	112,312
Losses on disposal of financial assets measured at FVOCI	(890)	(325)
Fair value change of non-current financial assets measured at FVPL (Note 22(b))	(7,169)	(52,851)
Foreign exchange losses, net	(19,446)	(40,655)
Others, net	(1,873)	(2,480)
	(27,190)	11,279

### 11 FINANCE COSTS

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Adjustment of amortised cost of 2021 Convertible Bonds due to early redemption (Note 23(a))	137,804	–
Interest expenses on borrowings	35,832	24,125
Interest expenses on liability component of convertible bonds (Note 23(a))	25,378	49,150
Issuance cost for bonds offering (Note 22(b))	17,455	–
Interest expenses on put option liability (Note 23(b))	2,890	4,238
Interest expenses on lease liabilities	1,393	2,458
Less: amount capitalised	(7,766)	–
	212,986	79,971



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 12 FINANCE INCOME

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income on bank deposits held for cash management purpose	8,097	20,857

### 13 TAXATION

#### (a) Value added tax

The Group is principally subject to 6% and 13% VAT, and surcharges on VAT payments according to PRC tax law. Majority of the operating entities of the Group, as service companies, qualify for additional 5% or 10% deduction of input value added tax ("Super Deduction of input VAT") from output VAT since April 1, 2019 to December 31, 2023 (Note 9(b)).

#### (b) Income tax

	Six months ended June 30	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax	(96)	42,842
Deferred income tax	22,793	(11,646)
Income tax expenses	22,697	31,196

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 13 TAXATION (Continued)

#### (b) Income tax (Continued)

##### (i) *Pillar Two income taxes*

Pillar Two legislation has not been enacted or substantively enacted in jurisdictions in which the Group operates as at the reporting date. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related tax exposure. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Based on the assessment, the Group does not expect a material exposure to Pillar Two income taxes.

##### (ii) *Cayman Islands Income Tax*

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

##### (iii) *Hong Kong Profits Tax*

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax for the six months ended June 30, 2024.

##### (iv) *PRC Enterprise Income Tax*

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in the PRC is 25%. Certain subsidiaries of the Group in the PRC are qualified as "high and new technology enterprises" and are subject to a 3-year preferential income tax rate of 15% effective from 2021 to 2024, or 2023 to 2026.

##### (v) *PRC Withholding Tax*

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. There is no provision of withholding tax made for the six months ended June 30, 2023 and 2024 as majority of subsidiaries incorporated in the PRC have accumulated losses as at June 30, 2023 and 2024.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 14 DIVIDENDS

No dividends have been paid or declared by the Company for the six months ended June 30, 2023 and 2024.

### 15 LOSS PER SHARE

#### (a) Basic

Basic loss per share for the six months ended June 30, 2023 and 2024 are calculated by dividing the loss attribute to the Company's equity holders by the weighted average number of ordinary shares excluding treasury shares and shares held for RSU Scheme during the respective periods.

	Six months ended June 30	
	2024	2023
	(Unaudited)	(Unaudited)
Net loss attributable to the equity holders of the Company (RMB'000)	(550,784)	(452,235)
Weighted average numbers of ordinary shares in issue	2,862,176,129	2,732,808,878
Basic loss per share (expressed in RMB per share)	(0.19)	(0.17)

#### (b) Diluted

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

For the six months ended June 30, 2023 and 2024, the outstanding 2021 Convertible Bonds (Note 23(a)) issued by the Company and restricted shares units ("RSUs") granted to employees (Note 30) are considered to be potential ordinary shares. As the Group incurred losses for the six months ended June 30, 2023 and 2024, the dilutive potential ordinary shares of 2021 Convertible Bonds and RSUs were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Accordingly, diluted loss per share for the six months ended June 30, 2023 and 2024 was the same as basic loss per share of the respective period.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 16 PROPERTY, PLANT AND EQUIPMENT

	Computer and electronic equipment RMB'000	Furniture and fixtures RMB'000	Vehicles RMB'000	Buildings RMB'000	Leasehold improvement RMB'000	Assets under construction RMB'000	Total RMB'000
<b>(Unaudited)</b>							
<b>Cost</b>							
At January 1, 2024	32,345	7,468	4,570	35,500	57,431	219,983	357,297
Additions	73	-	-	-	673	48,642	49,388
Other disposals	(578)	(663)	-	-	-	-	(1,241)
At June 30, 2024	31,840	6,805	4,570	35,500	58,104	268,625	405,444
<b>Accumulated depreciation</b>							
At January 1, 2024	(27,698)	(3,598)	(1,838)	(4,541)	(45,820)	-	(83,495)
Depreciation	(2,738)	(540)	(355)	(717)	(4,125)	-	(8,475)
Other disposals	533	190	-	-	-	-	723
At June 30, 2024	(29,903)	(3,948)	(2,193)	(5,258)	(49,945)	-	(91,247)
<b>Net carrying amount</b>							
At January 1, 2024	4,647	3,870	2,732	30,959	11,611	219,983	273,802
At June 30, 2024	1,937	2,857	2,377	30,242	8,159	268,625	314,197
<b>(Unaudited)</b>							
<b>Cost</b>							
At January 1, 2023	36,449	8,585	4,336	35,500	55,159	78,349	218,378
Additions	995	50	563	-	601	68,255	70,464
Disposal of subsidiaries (Note 34)	(1,265)	(155)	-	-	(1,276)	-	(2,696)
Other disposals	(3,814)	(713)	-	-	-	-	(4,527)
At June 30, 2023	32,365	7,767	4,899	35,500	54,484	146,604	281,619
<b>Accumulated depreciation</b>							
At January 1, 2023	(25,050)	(2,905)	(1,574)	(3,107)	(34,970)	-	(67,606)
Depreciation	(4,219)	(768)	(340)	(717)	(5,951)	-	(11,995)
Disposal of subsidiaries (Note 34)	870	33	-	-	1,017	-	1,920
Other disposals	3,483	586	-	-	-	-	4,069
At June 30, 2023	(24,916)	(3,054)	(1,914)	(3,824)	(39,904)	-	(73,612)
<b>Net carrying amount</b>							
At January 1, 2023	11,399	5,680	2,762	32,393	20,189	78,349	150,772
At June 30, 2023	7,449	4,713	2,985	31,676	14,580	146,604	208,007

- (i) Property, plant and equipment with net carrying amount of RMB268,625,000 have been pledged to secure long term borrowings RMB110,600,000 of the Group (Note 27). The Group is not allowed to pledge these assets as security for other borrowings.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 17 LEASES

	Land-use rights RMB'000	Buildings RMB'000	Total RMB'000
<b>(Unaudited)</b>			
<b>Cost</b>			
At January 1, 2024	344,214	196,391	540,605
Additions	–	8,316	8,316
Other disposals (i)	–	(27,601)	(27,601)
At June 30, 2024	344,214	177,106	521,320
<b>Accumulated depreciation</b>			
At January 1, 2024	(12,827)	(128,977)	(141,804)
Depreciation	(4,334)	(22,089)	(26,423)
Other disposals (i)		22,951	22,951
At June 30, 2024	(17,161)	(128,115)	(145,276)
<b>Net carrying amount</b>			
At January 1, 2024	331,387	67,414	398,801
At June 30, 2024	327,053	48,991	376,044

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 17 LEASES (Continued)

	Land-use rights RMB'000	Buildings RMB'000	Total RMB'000
<b>(Unaudited)</b>			
<b>Cost</b>			
At January 1, 2023	344,214	286,629	630,843
Additions	–	6,339	6,339
Disposal of subsidiaries ( <i>Note 34</i> )	–	(8,293)	(8,293)
Other disposals ( <i>i</i> )	–	(35,580)	(35,580)
At June 30, 2023	344,214	249,095	593,309
<b>Accumulated depreciation</b>			
At January 1, 2023	(4,159)	(151,328)	(155,487)
Depreciation	(4,334)	(29,068)	(33,402)
Disposal of subsidiaries ( <i>Note 34</i> )	–	6,774	6,774
Other disposals ( <i>i</i> )	–	25,245	25,245
At June 30, 2023	(8,493)	(148,377)	(156,870)
<b>Net carrying amount</b>			
At January 1, 2023	340,055	135,301	475,356
At June 30, 2023	335,721	100,718	436,439

(i) Disposals of right-of-use assets for the six months ended June 30, 2023 and 2024 were due to the early termination of rental agreements. The Group recognised approximately RMB621,000 gains in "Other (losses)/gains, net" during the six months ended June 30, 2024 (six months ended June 30, 2023: RMB2,695,000).

(ii) Land-use rights with carrying amount of RMB318,200,000 have been pledged to secure long-term borrowings RMB110,600,000 of the Group (Note 27). The Group is not allowed to pledge these assets as security for other borrowings.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 18 INTANGIBLE ASSETS

	Goodwill RMB'000	Trademarks RMB'000	Self-developed software RMB'000	Acquired software licenses RMB'000	Customer relationships RMB'000	Total RMB'000
<b>(Unaudited)</b>						
<b>Cost</b>						
At January 1, 2024	932,157	3,398	1,153,036	5,846	226,295	2,320,732
Capitalisation of development costs <i>(Note 19)</i>	-	-	20,481	-	-	20,481
At June 30, 2024	932,157	3,398	1,173,517	5,846	226,295	2,341,213
<b>Accumulated amortisation</b>						
At January 1, 2024	-	-	(714,437)	(2,659)	(72,429)	(789,525)
Amortisation	-	-	(107,611)	(580)	(11,609)	(119,800)
At June 30, 2024	-	-	(822,048)	(3,239)	(84,038)	(909,325)
<b>Impairment</b>						
At January 1, 2024	(194,843)	-	(61,710)	-	-	(256,553)
At June 30, 2024	(194,843)	-	(61,710)	-	-	(256,553)
<b>Net carrying amount</b>						
At January 1, 2024	737,314	3,398	376,889	3,187	153,866	1,274,654
At June 30, 2024	737,314	3,398	289,759	2,607	142,257	1,175,335

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 18 INTANGIBLE ASSETS (Continued)

	Goodwill RMB'000	Trademarks RMB'000	Self-developed software RMB'000	Acquired software licenses RMB'000	Customer relationships RMB'000	Total RMB'000
<b>(Unaudited)</b>						
<b>Cost</b>						
At January 1, 2023	937,908	3,398	1,078,706	4,936	226,295	2,251,243
Additions	–	–	–	911	–	911
Capitalisation of development costs (Note 19)	–	–	10,870	–	–	10,870
Disposal of subsidiaries (Note 34)	(5,751)	–	(110,797)	–	–	(116,548)
At June 30, 2023	932,157	3,398	978,779	5,847	226,295	2,146,476
<b>Accumulated amortisation</b>						
At January 1, 2023	–	–	(554,757)	(1,241)	(49,211)	(605,209)
Amortisation	–	–	(124,827)	(1,377)	(11,609)	(137,813)
Disposal of subsidiaries (Note 34)	–	–	71,457	–	–	71,457
At June 30, 2023	–	–	(608,127)	(2,618)	(60,820)	(671,565)
<b>Impairment</b>						
At January 1, 2023	(194,843)	–	(40,725)	–	–	(235,568)
At June 30, 2023	(194,843)	–	(40,725)	–	–	(235,568)
<b>Net carrying amount</b>						
At January 1, 2023	743,065	3,398	483,224	3,695	177,084	1,410,466
At June 30, 2023	737,314	3,398	329,927	3,229	165,475	1,239,343



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 18 INTANGIBLE ASSETS (Continued)

#### Allocation of goodwill

	Subscription solutions RMB'000	Merchant solutions RMB'000	Xiangxinyun RMB'000	Total RMB'000
(Unaudited)				
Balance as at January 1, 2024 and June 30, 2024	602,829	92,576	41,909	737,314
	Subscription solutions RMB'000	Merchant solutions RMB'000	Xiangxinyun RMB'000	Total RMB'000
(Unaudited)				
Balance as at January 1, 2023	608,580	92,576	41,909	743,065
Disposal of subsidiaries ( <i>Note 34</i> )	(5,751)	–	–	(5,751)
Balance as at June 30, 2023	602,829	92,576	41,909	737,314

Goodwill is monitored by management at the level of operating segment before aggregation. The Group's goodwill represented the excess of total consideration over identifiable net assets arisen from the acquisitions of Wuxi Yazuo, Heading, Shanghai Jingxin Information Technology Co., Ltd. ("Jingxin"), Guangzhou Xiangminiao Internet Technology Co., Ltd. ("Xiangminiao"), Shanghai Xiaomeng Technology Co., Ltd. ("Xiaomeng Technology"), Shanghai Xiangxinyun Internet Technology Co., Ltd. ("Xiangxinyun") and Shanghai Xiaomeng Financial Information Service Co., Ltd. ("Xiaomeng Financial") (collectively "Acquirees").

Goodwill of RMB118,019,000 generated from Xiaomeng Financial acquisition was allocated to both subscription solutions CGU and merchant solutions CGU with the amount of RMB25,443,000 and RMB92,576,000, respectively, considering the synergies expected after the acquisition.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 18 INTANGIBLE ASSETS (Continued)

#### Allocation of goodwill (Continued)

Goodwill of RMB236,752,000 generated from Xiangxinyun acquisition was allocated to Xiangxinyun CGU. For goodwill allocated to Xiangxinyun CGU, the Group recorded impairment of RMB194,843,000 as at December 31, 2022 in light of the changes in economic, operating and market environment. Based on the impairment test performed as at December 31, 2023, no additional impairment need to be recorded.

Except for the goodwill generated from Xiaomeng Financial acquisition and Xiangxinyun, the Group's remaining goodwill are all allocated to subscription solutions CGU.

On May 31, 2023, the Group disposed Canlin Group (Note 34), which was an operation within subscription solutions CGU before (Note 6). The Group allocated goodwill of RMB5,751,000 to the Canlin Group to be disposed at the disposal date, that was measured based on the relative values of Canlin Group and the portion of the subscription solutions CGU retained.

### 19 DEVELOPMENT COSTS

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
As at January 1	–	4,754
Development costs capitalised during the period	55,406	119,493
Transfer to intangible assets (Note 18)	(20,481)	(10,870)
As at June 30	34,925	113,377

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 20 ASSOCIATES

	<b>As at June 30, 2024 RMB'000 (Unaudited)</b>	As at December 31, 2023 RMB'000 (Audited)
Investments in associates accounted for using the equity method	<b>297,131</b>	297,581
	<b>As at June 30, 2024 RMB'000 (Unaudited)</b>	As at December 31, 2023 RMB'000 (Audited)
Beijing Weizhi Shuke Investment Center (Limited Partnership) ("Weizhi Shuke")	<b>150,032</b>	151,266
Nanjing Chuangyi Meridian Weimob Emerging Industry Equity Investment Fund Partnership (Limited Partnership) ("Nanjing Chuangyi")	<b>52,922</b>	53,101
Shanghai Weixin Investment Center (Limited Partnership) ("Shanghai Weixin")	<b>33,064</b>	33,361
Xuzhou Beishang Menghe Management Consulting Partnership (Limited Partnership) ("Xuzhou Beishang")	<b>45,000</b>	45,000
Other immaterial associates	<b>16,113</b>	14,853
	<b>297,131</b>	297,581

The following is a list of principal investments in associates of the Company as at June 30, 2024. The entities listed below have share capital consisting of both ordinary shares and ordinary shares with preference rights, which are held directly or indirectly by the Group. The Group has significant influence over these investments based on its representation on the respective board of directors. For investments held by the Group in common shares, the Group accounted for these investments in equity method. For investments held by the Group in redeemable preferred shares, the Group measured these investments at fair value (Note 22) because they are not qualified for equity accounting.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 20 ASSOCIATES (Continued)

Name	Date of incorporation	Particulars of issued shares held RMB'000	Place of incorporation and principal places of business	Percentage of ownership interest attribution to the Group		Principal activities	Accounting method
				As at June 30, 2024	As at December 31, 2023		
Weizhi Shuke	January 7, 2021	150,000	China	30.00%	30.00%	Investment	Equity method
Nanjing Chuangyi	October 1, 2019	51,000	China	32.70%	32.70%	Investment	Equity method
Shanghai Weixin	July 7, 2022	35,000	China	37.51%	41.18%	Investment	Equity method
Xuzhou Beishang	May 31, 2023	45,000	China	49.45%	49.45%	Investment	Equity method
Acewill	November 6, 2006	20,000	China	25.68%	25.68%	Subscription solutions	Fair value
Shanghai Xiaoke Information Technology Co., Ltd. ("Xiaoke")	November 27, 2019	302,299	China	34.74%	34.74%	Subscription solutions	Fair value
Zhejiang Demo Network Technology Co. Ltd. ("Demo")	February 11, 2015	49,800	China	32.38%	32.38%	Subscription solutions	Fair value
Shangyou (Changshu) Network Technology Co., Ltd. (Formerly known as Shanghai Shangyou Network Technology Co., Ltd.) ("Syoo")	November 20, 2017	46,000	China	36.33%	36.33%	Subscription solutions	Fair value
Yijing Zhilian (Suzhou) Technology Co., Ltd. (Formerly known as Yijing Zhilian (Beijing) Technology Co., Ltd.) ("Yijing")	November 18, 2019	11,000	China	8.85%	8.85%	Subscription solutions	Fair value
Beijing Nengtong Tianxia Network Technology Co., Ltd. ("Nengtong")	September 19, 2007	30,000	China	13.43%	13.43%	Subscription solutions	Fair value

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 20 ASSOCIATES (Continued)

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

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
At the beginning of the period	<b>297,581</b>	245,560
Additions	<b>–</b>	17,500
The Group's share of (loss)/profit	<b>(450)</b>	1,198
At the end of the period	<b>297,131</b>	264,258

### 21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>As at</b>	As at
	<b>June 30,</b>	December 31,
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Trade and other receivables at FVOCI	<b>226,428</b>	251,318
Less: provision for impairment of receivables at FVOCI	<b>(583)</b>	(3,764)
	<b>225,845</b>	247,554

Receivables from reputable advertisers or those with long-standing business relationships with the Group are held for the collection of contractual cash flows and for potential sale through factoring. These receivables are measured at fair value through other comprehensive income.

As at June 30, 2024 and December 31, 2023, the directors of the Company assessed the carrying amount of receivables at FVOCI approximated its fair values due to short maturities.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 22 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities measured at FVPL include the following:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
<b>Current assets</b>		
Bank wealth management products	18,739	65,849
Hong Kong listed equity securities	16,618	15,552
Structured deposits	–	226,656
<b>Total current financial assets</b>	<b>35,357</b>	308,057
<b>Non-current assets</b>		
Long-term investments measured at FVPL – Xiaoke	315,401	315,401
Long-term investments measured at FVPL – Acewill (Note 34)	271,118	271,118
Long-term investments measured at FVPL – Demo	79,843	79,843
Long-term investments measured at FVPL – Nengtong	30,373	30,373
Long-term investments measured at FVPL – Yijing	–	7,169
Others	3,500	3,500
<b>Total non-current financial assets</b>	<b>700,235</b>	707,404
<b>Total financial assets</b>	<b>735,592</b>	1,015,461
<b>Current liabilities</b>		
2024 Bonds (a)	659,116	–
Financial liability in relation to the transaction with Acewill measured at FVPL (Note 34)	24,063	24,063
<b>Total Current liabilities</b>	<b>683,179</b>	24,063
<b>Non-current liabilities</b>		
Contingent payable for the acquisition of Heading	37,595	37,595
<b>Total non-current liabilities</b>	<b>37,595</b>	37,595
<b>Total financial liabilities</b>	<b>720,774</b>	61,658

# NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

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

### (a) 2024 Bonds

On April 29, 2024 (the "Closing Date"), one of the Company's wholly-owned subsidiaries issued USD85 million (equal to approximately RMB604,061,000) of guaranteed bonds (the "2024 Bonds"), which are due for repayment on April 28, 2029 (the "Maturity Date"). The interest on the 2024 Bonds is paid at the rate of 7.50% per annum, payable semi-annually on 29 April and 29 October of each year.

#### *Cash Conversion Right*

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

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

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

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

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

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

#### *Redemption at the option of the bond issuer*

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

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

#### (a) 2024 Bonds (Continued)

##### *Final Redemption*

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

##### *Accounting for the 2024 Bonds*

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

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

In accordance with HKFRS, the Group could designate the whole 2024 Bonds at fair value through profit or loss or bifurcate the Cash Conversion Right at fair value through profit or loss and host debt at amortised costs. The Group elected to measure 2024 Bonds in its entirety at fair value initially. Transaction cost related to the bond offering of RMB17,455,000 is charged to profit and loss immediately.

Subsequent to the initial recognition, the 2024 Bonds are measured at fair value with changes in fair value recognised in the profit and loss, except that the fair value change due to the own credit risk presented in other comprehensive income.

As of June 30, 2024, the Group assessed the fair value of the 2024 Bonds by referencing the most recent quoted bid and ask prices on the SGX-ST at RMB659,116,000. The Company recognized a loss of RMB54,483,000 from changes in the fair value of the 2024 Bonds in its profit and loss statement, along with a fair value gain of RMB1,309,000 attributable to changes in its own credit risk, recorded in other comprehensive income for the six months ended June 30, 2024.



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 23 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
<b>Current</b>		
2021 Convertible Bonds (a)	–	1,305,992
<b>Non-current</b>		
Put option liability (b)	128,904	126,014
<b>Total</b>	<b>128,904</b>	<b>1,432,006</b>

#### (a) 2021 Convertible Bonds

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

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

#### *Repurchase of the 2021 Convertible Bonds*

As of December 31, 2023, the Company had repurchased and cancelled certain of the 2021 Convertible Bonds listed on the Stock Exchange with a principal amount of USD98,783,000 million through the open market.

On April 18, 2024, the Company made an announcement to propose repurchase of the remaining convertible bonds at a repurchase price equal to 103.04% of the principal amount of the 2021 Convertible Bonds. The Company was also concurrently issuing certain equity-linked instruments (the "2024 Bonds", Note 22(b)) which are to be listed the "SGX-ST" and placing 277,000,000 new shares at the placing price of HK\$1.13 per share.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 23 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

#### (a) 2021 Convertible Bonds (Continued)

##### *Repurchase of the 2021 Convertible Bonds (Continued)*

The Group revised its estimates of the 2021 Convertible Bonds contractual cash flows by discounting the revised future contractual cash flows using original effective interest rate to reflect the estimation on exercise of the early redemption and adjusted the gross carrying amount of the amortised cost of the liability component of the 2021 Convertible Bonds. The difference of RMB137,804,000 was recognised in “finance cost”.

On April 29, 2024, the Group repurchased the 2021 Convertible Bonds with principal amount of USD195,823,000 from market with the consideration of USD201,776,000 (equivalents to RMB1,433,941,000, which is equal to 103.04% of the principal amount). The Group allocated the redemption consideration to liability and equity components following the same basis in initial allocation and recognized RMB239,219,000 losses in other reserves for the six months ended June 30, 2024.

On June 7, 2024, the Company further repurchased the remaining USD5,394,000 of 2021 Convertible Bonds and pursuant to the original terms of the 2021 Convertible Bonds, the Company settled the remaining principal and interest in one lump sum of USD5,558,000 (equivalents to RMB39,521,000). The Group derecognised the liability and equity components and recognised RMB6,589,000 losses in other reserves for the six months ended June 30, 2024.

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

	<b>Six months ended June 30, 2024 RMB'000 (Unaudited)</b>	Six months ended June 30, 2023 RMB'000 (Unaudited)
Beginning balance	<b>1,305,992</b>	1,653,217
Interest expenses	<b>25,378</b>	49,150
Adjustment of amortised cost of convertible bonds due to early redemption	<b>137,804</b>	–
Currency translation differences	<b>4,288</b>	62,907
Repurchase before maturity	<b>(1,473,462)</b>	(472,103)
Ending balance	<b>–</b>	1,293,171

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 23 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

#### (a) 2021 Convertible Bonds (Continued)

##### *Repurchase of the 2021 Convertible Bonds (Continued)*

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

	<b>Six months ended June 30, 2024 RMB'000 (Unaudited)</b>	Six months ended June 30, 2023 RMB'000 (Unaudited)
Beginning balance	245,808	335,474
Repurchase before maturity	(245,808)	(89,666)
Ending balance	–	245,808

#### (b) Put option liability

In January 2021, the Group acquired 51.89% of the total equity interests in Xiangxinyun, a domestic service provider of pan-retail operation digitalization. At the same time, the Group entered into an agreement with another shareholder of Xiangxinyun, Shenzhen Tencent Industrial Fund Co., Ltd. ("Tencent Fund"). In accordance with this agreement with Tencent Fund, if Xiangxinyun fails to submit application to stock exchanges within 60 months following the acquisition closing date, Tencent Fund shall have the right to request the Group to repurchase all of its equity interests in Xiangxinyun at a price of RMB115,333,000 plus 6% annual interest on the principal. As neither Xiangxinyun nor the Group has the unconditional right to avoid delivering cash or financial assets in other forms when Tencent Fund exercises its redemption right, a financial liability was recorded at amortized cost based on the estimated future cash outflows on the acquisition date.

Movement of the put option liability is presented as follows:

	<b>Six months ended June 30, 2024 RMB'000 (Unaudited)</b>	Six months ended June 30, 2023 RMB'000 (Unaudited)
Beginning balance	126,014	118,950
Interest expenses ( <i>Note 11</i> )	2,890	4,238
Ending balance	128,904	123,188

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 24 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
<b>Non-current</b>		
Deposits – third parties	4,030	8,964
<b>Current</b>		
Other receivables in relation to prepayment on behalf of advertisers – third parties (a)	1,706,831	1,248,948
Prepayments for purchasing advertising traffic	258,860	175,289
Other receivables due from related parties (Note 32(c))	251,822	207,582
Recoverable value-added tax	105,157	164,454
Deposits – third parties	54,186	44,195
Contract fulfilment cost (Note 7.2(e))	39,340	23,143
Prepayments to other vendors	30,947	33,657
Other loan receivables due from a third party	9,759	–
Receivables in relation to value-added tax refund (Note 9)	4,708	3,339
Others	13,393	10,673
	<b>2,475,003</b>	1,911,280
Less: Provision for impairment of other receivables	<b>(292,253)</b>	(289,649)
	<b>2,182,750</b>	1,621,631

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

#### Derecognition of other receivables

During six months ended June 30, 2024, the Group entered into certain factoring agreements with Sinopharm Rosino (Shanghai) Commercial Factoring Co., Ltd. (the "Factor"). Under these agreements, the Group transferred receivables totaling RMB198,513,000, along with substantially all associated risks and rewards of ownership, to the Factor in exchange for cash amounting to RMB198,513,000. The Group therefore derecognised the transferred assets in their entirety and the service charge of RMB890,000 related to the factoring are recognised in "Other (losses)/gains, net".

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 25 TRADE AND NOTES RECEIVABLES

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Trade receivables due from third parties	251,239	341,898
Notes receivables	19,264	13,669
Trade receivables due from related parties ( <i>Note 32(c)</i> )	3,962	3,962
Less: Provision for impairment of trade and notes receivables	(11,611)	(6,224)
	<b>262,854</b>	353,305

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

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
0 — 90 days	258,112	347,364
90 – 180 days	3,573	525
over 180 days	12,780	11,640
	<b>274,465</b>	359,529

#### Impairment of trade and notes receivables

The Group applied the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rate is updated and changes in the forward-looking estimates are analysed.

As at June 30, 2024 and December 31, 2023, the carrying amounts of trade and notes receivables were primarily denominated in RMB and approximated their fair values.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 26 CASH AND BANK BALANCES

#### (a) Cash and cash equivalents

	<b>As at June 30, 2024 RMB'000 (Unaudited)</b>	As at December 31, 2023 RMB'000 (Audited)
Cash at bank	1,204,797	1,660,250
Cash equivalents (i)	8,912	6,440
Cash on hand	11	70
	<b>1,213,720</b>	1,666,760
Maximum exposure to credit risk	<b>1,213,709</b>	1,666,690

(i) Cash equivalents represents cash balances kept in third party payment platform, such as Ali-pay and WeChat account which can be withdrawn by the Group at any time.

Cash and cash equivalents are denominated in the following currencies:

	<b>As at June 30, 2024 RMB'000 (Unaudited)</b>	As at December 31, 2023 RMB'000 (Audited)
RMB	1,097,699	1,566,374
USD	101,473	84,760
HKD	12,549	13,738
EUR	831	812
AUD	607	518
JPY	561	558

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 26 CASH AND BANK BALANCES (Continued)

#### (b) Restricted cash

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Offshore deposits pledged for domestic bank borrowings	518,237	513,406
Restricted cash in relation to litigation	94	–
	<b>518,331</b>	513,406

#### (c) Term deposit

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Term deposit – current	–	22,378
Term deposit – non-current	20,967	–

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 27 BANK BORROWINGS

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Long-term bank borrowings (a)	101,752	385,520
<b>Sub-total of non-current borrowings</b>	<b>101,752</b>	385,520
Long-term bank borrowings – current portion (a)	353,798	30,100
Short-term bank borrowings (b)	1,050,000	1,020,000
Letter of credit (c)	300,000	300,000
Interest payable	2,218	2,623
<b>Sub-total of current borrowings</b>	<b>1,706,016</b>	1,352,723
	<b>1,807,768</b>	1,738,243

(a) As at June 30, 2024, long-term bank borrowing was RMB455,550,000, among which, (i) RMB110,600,000 was related to building construction and was collateralized on the Group's certain land use rights with net carrying amount of RMB318,200,000, property, plant and equipment with net carrying amount of RMB268,625,000 (collectively "Collateralized Assets") and equity interests of Shanghai Weimeng Yunshuang Economic Development Co., Ltd. ("Weimob Yunshuang"), a subsidiary within the Group who owns the Collateralized Assets (ii) RMB164,950,000 was secured by other subsidiaries within the Group and (iii) RMB180,000,000 was unsecured.

(b) As at June 30, 2024, short-term bank borrowing was RMB1,050,000,000, among which, RMB400,000,000 were domestic loan secured by the Group's pledged offshore bank deposits with total carrying amount approximately RMB417,018,000 (Note 26) and RMB650,000,000 was secured by other subsidiaries within the Group.

(c) As at June 30, 2024, letter of credit was RMB300,000,000, among which RMB150,000,000 was secured by the pledge of bank deposits with carrying amount of approximately RMB101,219,000 (Note 26) and RMB150,000,000 was secured by other subsidiaries within the Group.

As at June 30, 2024, annual average interest rate of the total balance of bank borrowings and letter of credit was 3.42% (December 31, 2023: 3.39%).



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 28 TRADE AND OTHER PAYABLES

	As at June 30 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
<b>Non-current</b>		
Payable related to business acquisitions (a)	2,906	2,906
<b>Current</b>		
Advance from advertisers – third parties	861,185	577,617
Trade payables for purchasing advertising traffic (c)	399,646	11,472
Payroll and welfare payables	259,055	346,431
Payable related to investments and business acquisitions (a)	84,062	84,062
Commission payable	79,253	88,588
Other taxes payable	72,385	126,725
Payable related to property, plant and equipment	62,364	75,019
Advance from subscription solution customers – third parties	53,148	59,698
Trade payable related to subscription solutions (c)	35,312	20,450
Deposits	15,966	13,112
Payable related to purchase of non-controlling interests (b)	5,200	–
Auditors' remuneration accrual	2,700	3,000
Other payable and accruals	27,501	28,625
	<b>1,957,777</b>	1,434,799
<b>Total</b>	<b>1,960,683</b>	1,437,705

(a) As at June 30, 2024, payable related to investments and business acquisitions comprised payable related to the acquisition of Xiangxinyun of RMB21,765,000, the acquisition of Heading of RMB61,297,000, the acquisition of Xiangminiao of RMB2,906,000 and certain new small investments with total payable balance of RMB1,000,000. For payable related to acquisition of Xiangminiao, RMB2,906,000 is classified as non-current payable as it will be paid when Xiangminiao becomes profitable.

(b) During the six months ended June 30, 2024, the Group acquired another 10% equity interest of Shanghai Mengxiao Information Technology Co., Ltd. ("Mengxiao") from its non-controlling shareholder for a consideration of RMB13,000,000. After the transaction, the Group held 80% equity interest in Mengxiao. The excess of carrying amounts of acquired net non-controlling interests over the considerations, being approximately RMB12,955,000, was recognised directly in equity. As at June 30, 2024, RMB7,800,000 has been paid and the remaining RMB5,200,000 will be paid in September, 2024.

(c) As at December 31, 2023 and June 30, 2024, the aging of the trade payables is all within 3 months.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 29 SHARE CAPITAL, SHARES HELD FOR RSU SCHEME, TREASURY SHARES AND SHARE PREMIUM

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Shares held for RSU Scheme RMB'000
<b>(Unaudited)</b>				
<b>As at January 1, 2024</b>	<b>2,794,594,990</b>	<b>1,882</b>	<b>8,784,371</b>	<b>(161)</b>
Issuance of ordinary shares for RSU Scheme (a)	5,816,400	14	–	(14)
Issuance of ordinary shares (b)	277,000,000	197	284,249	–
Share issuance costs (b)	–	–	(6,700)	–
Transfer of vested RSUs (Note 30)	–	–	–	4
<b>As at June 30, 2024</b>	<b>3,077,411,390</b>	<b>2,093</b>	<b>9,061,920</b>	<b>(171)</b>

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Treasury shares RMB'000
<b>(Unaudited)</b>					
<b>As at January 1, 2023</b>	2,549,328,490	1,717	7,475,254	(644)	(39,110)
Issuance of ordinary shares for RSU Scheme	14,126,500	10	–	(10)	–
Issuance of ordinary shares	248,000,000	167	1,369,660	–	–
Share issuance costs	–	–	(21,445)	–	–
Cancellation of buy-back shares	(16,860,000)	(12)	(39,098)	–	39,110
Transfer of vested RSUs (Note 30)	–	–	–	488	–
<b>As at June 30, 2023</b>	<b>2,794,594,990</b>	<b>1,882</b>	<b>8,784,371</b>	<b>(166)</b>	<b>–</b>

(a) During the six months ended June 30, 2024, the Company issued 5,816,400 shares to Weimob Teamwork (PTC) Limited for RSU Scheme with nil consideration. The share capital amount was approximately RMB14,000. The ordinary shares held for the Company's RSU Scheme were regarded as treasury shares and presented as a deduction in equity as "Shares held for RSU Scheme".

(b) On April 26, 2024, the Company issued 277,000,000 placing shares to certain investors at the placing price of HK\$1.13 per share and raised gross proceeds of approximately HKD313,010,000 (equivalent to approximately RMB284,446,000). The respective share capital amount was approximately RMB197,000 and share premium arising from the issuance was approximately RMB284,249,000.

Share issuance costs that are directly attributable to the issue of the new shares amounting to approximately RMB6,700,000 were recorded as a deduction against the share premium arising from the issuance.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 30 SHARE-BASED PAYMENTS

The share-based compensation expenses recognised for the six months ended June 30, 2023 and 2024 are summarised in the following table:

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Share-based compensation expenses for employees (a)	13,229	54,474
Share-based compensation expenses for non-controlling interests (b)	951	1,744
Sub-total	14,180	56,218

#### (a) Share-based compensation plans of the Company

##### *Original Option Plan before IPO (subsequently replaced as "2018 RSU Plan")*

The Company has set up one structured entity ("RSU Scheme Trust"), namely Weimob Teamwork, which is solely for the purpose of administering and holding the Company's shares for the RSU Scheme adopted before the Listing. Weimob Teamwork has been appointed as the trustee (the "Trustee") pursuant to the trust deed to administrate the RSU Plan immediately after the consummation of the IPO ("Original Option Plan"). Prior to the IPO, Mr. Sun Taoyong was the administrator of the RSU Scheme Trust.

Since the Company's shares was listed on the Main Board of the Stock Exchange of Hong Kong Limited on January 15, 2019, the Company has the power to direct the relevant activities of the RSU Scheme Trust and it can use its power over the RSU Scheme Trust to affect its exposure to returns. Therefore, the assets and liabilities of the RSU Scheme Trust are included in the Group's consolidated statement of financial position and the ordinary shares held for the Company's RSU Scheme were regarded as treasury shares and presented as a deduction in equity as "Shares held for RSU Scheme".

During the six months ended June 30, 2024, the Company has not granted any RSUs under this 2018 RSU Plan.

##### *2020 RSU Scheme*

The 2020 restricted share unit scheme (the "2020 RSU Scheme") of the Company was adopted by the Board on May 25, 2020 and was approved by the Shareholders at the annual general meeting of the Company held on June 29, 2020. The vesting period of the 2020 RSU Scheme varies from one to four years subject to employees' continuous service to the Group and the purchase price of the RSUs granted under 2020 RSU Scheme is nil.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 30 SHARE-BASED PAYMENTS (Continued)

#### (a) Share-based compensation plans of the Company (Continued)

##### 2020 RSU Scheme (Continued)

Movements in the number of RSUs granted and not yet vested is as follows:

	Original Option Plan		2020 RSU Scheme		Total Number of RSUs (in thousand) (Unaudited)
	Number of RSUs (in thousand) (Unaudited)	Weighted Average Fair value per RSU (RMB) (Unaudited)	Number of RSUs (in thousand) (Unaudited)	Weighted Average Fair value per RSU (RMB) (Unaudited)	
<b>As at January 1, 2024</b>	–	–	<b>34,380</b>	<b>2.61</b>	<b>34,380</b>
Vested	–	–	(6,731)	1.40	(6,731)
Forfeited	–	–	(7,350)	1.47	(7,350)
<b>As at June 30, 2024</b>	–	–	<b>20,299</b>	<b>1.26</b>	<b>20,299</b>
<b>As at January 1, 2023</b>	199	5.95	26,977	5.95	27,176
Granted	–	–	21,566	4.61	21,566
Vested	(199)	3.50	(8,243)	3.35	(8,442)
Forfeited	–	–	(1,204)	3.89	(1,204)
<b>As at June 30, 2023</b>	–	–	<b>39,096</b>	<b>3.50</b>	<b>39,096</b>

No RSUs were expired during the six months ended June 30, 2023 and 2024.

#### (b) Share-based compensation plans of Wuxi Yazuo and Xiangminiao

The Group acquired 63.83% and 66.98% equity interests in Wuxi Yazuo and Xiangminiao (collectively the “Subsidiaries”) in March 2020 and May 2021, respectively. Pursuant to the relevant share purchase and subscription agreements, each of the co-founders of the Subsidiaries committed a five-years post-combination services period. If the co-founders resign from the Subsidiaries within five years since the acquisition dates, they shall transfer certain common shares of the Subsidiaries to the Group for free. The number of shares subject to transfer is calculated on a time proportion basis. The post-combination services commitment was treated as service condition of the share-based compensation to the founders.

In addition, the share purchase and subscription agreements with Xiangminiao also stipulated that if Xiangminiao achieved certain performance target in the two years since the acquisition date, the Group shall transfer 3% common shares of Xiangminiao to the co-founders for free each year. The achievement of performance target was treated as performance condition of the share-based compensation to the founders.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 30 SHARE-BASED PAYMENTS (Continued)

#### (b) Share-based compensation plans of Wuxi Yazuo and Xiangminiao (Continued)

As disclosed in Note 34, in May 2023, the Group disposed Weimob Canlin and its subsidiaries including Wuxi Yazuo. The above five-years post-combination services requirement for the co-founders of Wuxi Yazuo was waived by the Group, therefore, the common shares originally granted for exchange of co-founders' post-combination service were treated as fully vested immediately before the transaction and the remaining service expenses were accelerated to be amortised and charged into profit and loss.

For the six months ended June 30, 2024, the service expense amounting to RMB951,000 was charged to "general and administrative expenses" in the consolidated statement of comprehensive loss and credited to "non-controlling interests" as consideration was settled by equity of Xiangminiao instead of the Company's common shares.

The difference of RMB1,127,000 between the amount of changes in non-controlling interests and the cost of common share vested is recognised in reserve within equity attributable to owners of the Group.

### 31 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at as December 31, 2023 and June 30, 2024 but not recognised as liabilities is as follows:

	<b>As at June 30, 2024 RMB'000 (Unaudited)</b>	As at December 31, 2023 RMB'000 (Audited)
Long-term investment	<b>151,220</b>	61,000
Buildings	<b>215,648</b>	250,682
	<b>366,868</b>	311,682

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 32 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had significant transaction or balances with the Group for the six months ended June 30, 2023 and 2024:

<b>Name of related parties</b>	<b>Relationship with the Group</b>
Xiaoke	Associate of the Group
Syoo	Associate of the Group
Clipworks	Associate of the Group
Demo	Associate of the Group
Nengtong	Associate of the Group
Acewill (i)	Associate of the Group
Canlin Group (i)	Subsidiary of associate of the Group
Shanghai Beyond Science Technology Co., Ltd. ("Beyond Science")	Non-controlling shareholder of Heading
Mr. Bai (ii)	Non-controlling shareholder of Wuxi Yazuo

- (i) As discussed in Note 34, Acewill and Canlin Group became the Group's associates since May 31, 2023. The following disclosure of transactions with these two entities only covered period since May 31, 2023.

- (ii) As discussed in Note 34, the Group disposed Canlin Group and Wuxi Yazuo which were deconsolidated from the Group since May 31, 2023. The following disclosure of transactions with these Mr. Bai only covered period from January 1, 2023 to May 31, 2023.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 32 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Transactions with related parties

*Operating activities:*

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Provide subscription solutions service to related parties</b>		
Demo	1,204	–
<b>Purchase of advertising traffic on behalf of a related party</b>		
Xiaoke	659	89
<b>Purchase of short video services from a related party</b>		
Clipworks	108	1,562
<b>Sales commissions paid to related parties as channel partners for subscription solutions service</b>		
Demo	2,698	2,328
<b>Technology service fee charged by related parties</b>		
Xiaoke	591	–
Beyond Science	12	–
	603	–

The prices for the above service fees were determined in accordance with the terms mutually agreed by the contract parties.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 32 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Transactions with related parties (Continued)

*Non-operating Activities:*

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Loans to related parties</b>		
Xiaoke	240,100	53,000
Nengtong	3,700	–
Acewill	–	3,000
	<b>243,800</b>	<b>56,000</b>
<b>Interest income from related parties</b>		
Xiaoke	6,642	2,015
Nengtong	88	–
Canlin Group	26	–
Acewill	15	–
Clipworks	–	40
	<b>6,771</b>	<b>2,055</b>
<b>Repayment from related parties</b>		
Xiaoke	181,500	–



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 32 RELATED PARTY TRANSACTIONS (Continued)

#### (c) Period-end balances with related parties

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
<b>Trade receivables from related parties</b>		
Syoo	3,962	3,962
Less: Provision for impairment	(3,962)	(3,962)
	-	-
<b>Other receivables from related parties</b>		
<b>Trade nature – related to advertising services where the Group acts as agent (net basis revenue)</b>		
Xiaoke	-	14,804
<b>Non-trade nature</b>		
Xiaoke	243,704	188,489
Nengtong	3,788	-
Canlin Group	2,761	2,735
Acewill	1,529	1,514
Syoo	40	40
Total other receivables from related parties	251,822	192,778
Less: provision for impairment of other receivable	(1,246)	(985)
<b>Total other receivables from related parties</b>	<b>250,576</b>	<b>206,597</b>
<b>Prepayments to related parties for subscription of new shares</b>		
Beyond Science	1,000	1,000

Trade receivables from related parties were unsecured, interest-free and repayable on demand.

As at June 30, 2024, loan receivables from Xiaoke of RMB240,100,000 was non-trade in nature, unsecured, and repayable in 2025, which bears a fixed interest rate of 7% per annum. Loan receivables from Nengtong of RMB3,700,000, Acewill of RMB1,500,000 and loan receivables from Canlin Group of RMB2,500,000 were non-trade in nature, unsecured, bearing a fixed interest rate of 5.0%, 5.5% and 5.5% per annum and repayable in September, July and July 2024 respectively.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 32 RELATED PARTY TRANSACTIONS (Continued)

#### (c) Period-end balances with related parties (Continued)

Except for the individually impaired trade receivable due from Syoo, the amounts due from and to other related parties are not past due. The carrying amounts of the amounts due from and to related parties approximate their fair values and are denominated in RMB.

### 33 CONTINGENT LIABILITIES

Saved as contingent capital commitment for acquiring Heading disclosed in Note 5.3, the Group did not have any material contingent liabilities as at June 30, 2024.

### 34 INVESTMENT IN ACEWILL AND DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY

On May 8, 2023, Weimob Development entered into the investment agreement with Acewill and Acewill's existing shareholders, pursuant to which, Weimob Development agreed to subscribe for the new registered capital of RMB12,449,054 in Acewill, corresponding to its approximately 25.68% equity interests, at the consideration of RMB20 million in cash (the "Cash Consideration") and 100% equity interests in Weimob Canlin, a wholly-owned subsidiary of Weimob Development (the "Equity Consideration").

Immediately before the transaction, Weimob Canlin holds approximately 63.14% equity interest in Wuxi Yazuo and the remaining approximately 36.86% equity interest is held by non-controlling shareholders. Upon the completion of this transaction on May 31, 2023 (the "Transaction Date"), the Group lost control of Canlin Group and Canlin Group was deconsolidated from the Group.

Pursuant to the investment agreement, Weimob Development will procure the transfer of the remaining approximately 36.86% equity interests in Wuxi Yazuo to Acewill (the "Procurement"). The consideration of the Procurement was negotiated between the Group and the non-controlling shareholder of Wuxi Yazuo, either by cash or up to 3% equity interest of Acewill. If the Group fails to accomplish the Procurement within 1 year after the Transaction Date, the Group shall transfer up to 3% of Acewill's equity interests back to Acewill at no consideration. The preferential rights attached to the 3% equity interest might to be transferred either to the non-controlling shareholders of Wuxi Yazuo or Acewill are subordinate to the equity interest held by the Group after the transfer.

Therefore, a financial liability at FVPL for the potential contractual obligation to deliver cash or equity interests of Acewill was recognised at the Transaction Date. The Group determined the fair value of the financial liability at FVPL based on the fair value of the underlying investment in Acewill.



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended June 30, 2024

### 34 INVESTMENT IN ACEWILL AND DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY (Continued)

The 25.68% equity interests acquired by the Group enjoys certain preferential rights including, but not limited to, redemption rights and liquidation preference etc. The Group accounts for its equity interests in Acewill as financial asset at FVPL. The fair value of 25.68% redeemable preferred shares of Acewill acquired by the Group immediately before the Transaction Date was RMB102 million, which approximated to the fair value of Weimob Canlin of RMB82 million plus cash of RMB20 million.

The Group recorded a disposal gain of RMB7,536,000, being the difference between (i) the net proceeds of disposal of Weimob Canlin in the form of preferred shares issued by Acewill; and (ii) The carrying value of the net assets of Weimob Canlin that owned by the Group including goodwill allocated to Weimob Canlin immediately before the disposal.

As of December 31, 2023, the fair value of investment and financial liability in Acewill was approximately RMB271,118,000 and RMB24,063,000, respectively by using the equity allocation method. As at June 30, 2024, the Procurement has not been accomplished yet. The directors of the Company assessed there was no significant change in the fair value of the investment in Acewill and financial liability at FVPL in relation to the transaction with Acewill for the six months ended June 30, 2024.

## DEFINITIONS

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Bond Issuer”	Weimob Investment Limited, a wholly-owned subsidiary of the Company
“Company”	Weimob Inc., an exempted company incorporated in the Cayman Islands with limited liability on January 30, 2018
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“PRC” or “China”	the People’s Republic of China. For the purposes of this interim report only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus of the Company dated December 31, 2018
“Remuneration Committee”	the remuneration committee of the Company
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the six months ended June 30, 2024
“RSU”	the restricted stock unit
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)



## DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Listing Rules
“Substantial Shareholders Group”	Mr. SUN Taoyong, Mr. FANG Tongshu and Mr. YOU Fengchun, a group of individuals acting in concert with each other and the single largest shareholder group of the Company

\* *For identification purpose only*

# WEIMOB INC. 微盟集團

